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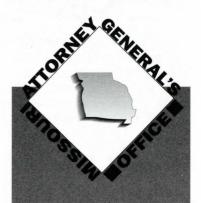


1997 ANNUAL REPORT

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FROM

MISSOURI ATTORNEY GENERAL JEREMIAH W. (JAY) NIXON

1997 ANNUAL REPORT

A MESSAGE FROM

ATTORNEY GENERAL

JEREMIAH W. (JAY) NIXON

S THE STATE'S chief law enforcement officer, my top priorities are fighting crime and protecting Missourians. In 1997, the Attorney General's Office demonstrated a renewed commitment to these goals with a record-breaking year.

Our Criminal Division attorneys, with nearly 2,000 new cases (double the number from 1996), continue to successfully argue in state and federal courts against violent criminals attempting to have their convictions overturned.

Targeting methamphetamine

We targeted a growing meth problem surfacing in rural America by strengthening our state laws and aggressively prosecuting law breakers. Coordinated action by the Missouri Highway Patrol and law enforcement officials throughout the state more than doubled the number of meth labs busted in 1997 over the previous year.

Protecting the environment

We stood firm against corporations and others who polluted our environment and sent a strong message that violation of Missouri's environmental laws will not be tolerated. We were successful, winning favorable settlements or awards in 95 percent of our cases and securing a record \$4.1 million in penalties, damages and restitution payments.

Protecting consumers

Aggressive action by our Consumer Protection Division attorneys resulted in the state's largest consumer protection order when the country's largest direct-mail sweepstakes operation was ordered to pay \$8.6 million in restitution and penalties. Our attorneys also led a national antitrust action that obtained a \$7.3 million settlement from one of the world's largest agricultural chemical makers to protect farmers against higher chemical prices.

Our outstanding record has been recognized in many ways. The national recognition we received for our efforts to fight fraud aimed at seniors and my selection as chairman of the Criminal Law Committee of the National Association of Attorneys General are a credit to the entire office.

Saving taxpayers money

We continue to save taxpayers money by aggressive actions against inmates who would abuse the court system by filing frivolous lawsuits. With new tougher laws and aggressive legal action, we have reduced the number of inmate lawsuits by two-thirds in the last four years. Also, this year we collected a record amount of money from inmates required to reimburse the state for their incarceration.

Fighting old battles

As we move toward the end of the century, we continue fighting old battles. We attack racism and discrimination through housing and employment discrimination lawsuits.



CARRYING THE TORCH: Attorney
General Nixon, Georganne Wheeler
Nixon and sons Jeremiah (front) and
Will start the first leg of the Show-Me
State Games torch run from the Capitol
steps in Jefferson City to Columbia.

We fight to protect crime victims and to give them an equal voice in the court system. We aggressively pursue telemarketing violations and send to prison those who illegally take money from Missouri seniors.

Fighting new battles

There were new fights in 1997 including the first civil and criminal actions in the country against liquor and gambling businesses on the Internet. We continue our fight for safe schools, proposing gun-free school zones and support for alternative schools as a way to focus attention on at-risk children and to improve safety in the regular classroom. We also sued the nation's largest tobacco companies for marketing tobacco to children.

As the leader of the state's finest law office and one of the best crime-fighting teams in the nation, I am proud to present our 1997 Annual Report to the citizens of Missouri.

Jain Milion

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YEAR-END REVIEW

JANUARY

- Jan. 3: The owner of a landfill located next to the Harry S Truman Reservoir will take corrective steps, including closing the landfill, and pay a \$5,000 penalty. Environmental Protection Division attorneys sued the owner of Henry County Sanitary Landfill for not complying with solid waste and clean water laws.
- Jan. 5: A day after AG Jay Nixon appears on "America's Most Wanted" to discuss the murder committed by Pete Grass and to seek help in his capture, the fugitive is arrested in New York by the FBI. Grass, who pleaded not guilty by reason of insanity for the 1992 murder of his wife, walked away from a St. Louis state mental hospital in the summer of 1996 just days before tougher laws took effect.
- Jan. 7: Governmental Affairs Division attorneys obtain a temporary restraining order against a Springfield dentist who, while trying to anesthetize a patient, forced a hypodermic needle into her nasal cavity and then passed out. On Feb. 20, Carl Braun is permanently enjoined from practicing dentistry.
- Jan. 7: Governmental affairs attorneys obtain a 30-day suspension and three-year probation for a Dixon nursing home administrator. She allowed a resident with a history of physical abuse against other residents to roam the Dixon Oaks Health Center unrestricted. The resident was charged with sexually assaulting a mentally incompetent resident.
- Jan. 9: The state Supreme Court sets a March 5 execution date for Roosevelt Pollard, convicted of the 1983 slaying of an Arkansas businessman at a Bootheel rest area. On Feb. 26, the execution is stayed to determine Pollard's competency.
- Jan. 13: The AG's Office begins a three-week trial in federal district court seeking an end to court-ordered desegregation payments to the Kansas City schools. Nixon sought approval of a settlement agreement signed in 1996 by the state, school board and teachers union. On March 25, a federal judge approves the agreement, which ends payments on June 30, 1999. On Aug. 12, a federal appeals court upholds the plan.

- Jan. 13: Litigation Division attorneys go before the 8th Circuit Court of Appeals seeking a deadline ending the desegregation program in St. Louis. Nine months ago, a judge appointed a settlement coordinator after the AG's Office requested the school be declared desegregated. On Sept. 10, Nixon unveils a \$304 million plan to end busing to suburban schools, continue magnet programs and construct and renovate schools in the city. On Nov. 7, Nixon withdraws the proposal since no parties in the desegregation case accepted it. On Sept. 17, Nixon joins with the St. Louis City School Board's 2-year-old motion to open the magnet schools to more city students. Nixon calls for a more flexible court-ordered magnet school quota to allow more city students to enroll.
- **Jan. 16:** The president of a Warrenton travel business is arrested on 10 counts of securities fraud and selling unregistered securities. Consumer Protection Division attorneys and the Warren County prosecutor charged the president of President Travel with selling stock in a nonexistent corporation.
- Jan. 21: Litigation Division attorneys win a ruling in which the Missouri Supreme Court said the state Department of Labor can sue for penalties for prevailing wage law violations after a project had been completed. An appellate court had ruled that the department only could sue while a project was in progress. On April 30-May 10, the AG's Office sues eight Missouri construction companies for violating the prevailing wage law while working on public works projects. The state is seeking \$54,000 in penalties, which will go to the local governmental bodies that contracted for the work.
- **Jan. 23:** Inmate Floyd Wideman reimburses the state \$13,943 for his prison stay. On **May 29,** he pays \$2,930. He was receiving a monthly pension.
- Jan. 24 and Feb. 14: A judge sentences to prison 13 common-law court advocates convicted of tampering with a judicial official. Two leaders of the group are sentenced to seven years and the others to two years. All are fined \$5,000. The AG's Office had charged 18 advocates with filing

a false lien against another Lincoln County judge to coerce him to dismiss a speeding case against the daughter of one defendant. On **April 17** and **June 27**, two more are sentenced — one to two years' imprisonment and fined \$1,000, the other to five years' probation. On **Oct. 3**, a St. Louis County judge sentences the remaining three to five years' probation.

Association of Ophthalmologists agrees to change its policy so consumers have more choice when filling lens prescriptions. It settled after Missouri and 23 other states sued contact lens makers Bausch & Lomb, CIBA Vision and Vistakon, optometric associations, and optometrists, alleging they limited the sale of lenses through discount outlets, driving up consumer prices. On May 12, CIBA Vision agrees to give customers a \$35 rebate and other benefits.

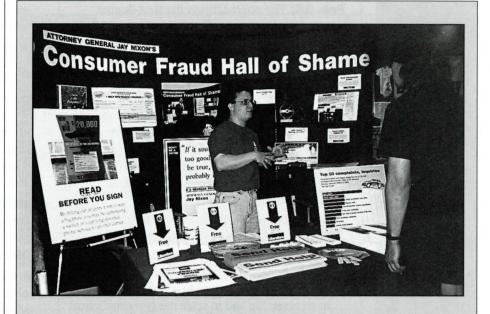
Jan. 29: America Online agrees to help resolve concerns of several attorneys general that thousands of AOL customers who paid for unlimited Internet use were unable to access it. On Feb. 5, a court order requires AOL to provide consumer refunds or a one-month credit.

Jan. 29: Eric Schneider, convicted of killing two St. Louis teachers at their home in 1985, is executed.

Jan. 30: One of the world's largest makers of agricultural chemicals will pay \$7.3 million to settle charges it violated antitrust laws, resulting in higher prices for farmers. Consumer attorneys filed a complaint and settlement agreement with American Cyanamid on behalf of all the states. Missouri will get \$415,000.

Jan. 30-31: More than 325 elected and appointed public officials attend an all-day ethics conference sponsored by the AG's Office.

Assistant attorneys general explain



CONSUMER FRAUD Hall of Shame on tour

Consumer Protection Division intern Darick Hemphill explains items in the Consumer Fraud Hall of Shame during the Ozark Empire Fair in Springfield. The exhibit toured fairs and festivals throughout the state in 1997. The exhibit shows the types of products scam artists hawk and gives Missourians information on how to avoid getting scammed.

state laws and answer legal questions on ethics.

Jan. 31: Olin Corp.-Winchester Division, a small-arms ammunition manufacturer, agrees to pay a \$6,320 civil penalty for violating the Hazardous Waste Management Law at its plant in Independence.

FEBRUARY

Feb. 7: Governmental affairs attorneys ask the court to permanently remove Springfield lawyer Garry Champion as sole trustee of the Edith M. Short Trust. Beneficiaries were not paid and assets were depleted from more than \$700,000 to \$25,000. On **Sept. 29**, an appeals court says the AG's Office has authority to sue to remove Champion as trustee. On **Oct. 16**, attorneys seek an order requiring Champion

to immediately pay \$775,000 to the trust. On **Nov. 19**, he agrees to pay.

Feb. 12: Governmental affairs attorneys file a breach of contract suit against a manufacturer of John Lennon-licensed sportswear for defaulting on a \$168,000 state loan and failing to create jobs in an Audrain County community. The state received about \$65,000 and only 14 of the 42 promised jobs.

Feb. 14: Jackson Neely is convicted of first-degree murder for a 1995 killing in Butler County. On **April 11,** he is sentenced to life in prison without parole.

Feb. 18: An appeals court affirms a decision denying workers' compensation benefits to a claimant who said she could not walk without a cane. A video surveillance showed the claimant only used the cane when she went to doctors for the claim.



- **Feb. 18:** The court affirms the first-degree murder conviction and life sentence of Mark Ebright. Ebright, an accomplice, was convicted of murdering Maries County Sheriff Roy Bassett in 1994.
- **Feb. 24:** The state Medicaid program will receive \$370,084 in restitution and penalties from a \$35.5 million multistate settlement with SmithKline Beecham Clinical Laboratories, the nation's largest clinical lab. The AG's Medicaid Fraud Control Unit obtained the agreement.
- **Feb. 25:** More than \$173,000 is refunded on preneed funeral contracts from Pre-Arranged Services of Kennet to 901 individuals and funeral homes. The refunds resulted after the AG's Office took action to place Pre-Arranged in receivership and to seize the company's trust accounts because the owner had misappropriated the trust funds for his use.
- **Feb. 25:** Nixon holds a public hearing in Springfield regarding the recent hikes in propane prices and the impact on Missourians.
- **Feb. 27:** Consumer lawyers obtain a temporary order banning a Springfield rug shop from advertising bogus going-out-of-business sales. On **May 14,** the owner of Oriental Rug Palace & Art Gallery is banned from selling in Missouri and ordered to pay \$500.

MARCH

March 3: Wayne McClure, serving 25 years for first-degree assault and armed criminal action, reimburses the state \$26,622 for cost of inmate care.

March 3: The owners of two waste-tire dumps near Wardell and Doniphan are found in



One of Wilson's tire dumps

contempt of court for not removing tires from the sites as ordered. R.V. and Mavis Wilson are given 40 days to submit a plan to the state to remove the tires.

March 5: A Kansas physician's license to practice

in Missouri is revoked after she entered a nocontest plea to two counts of capital murder and one count each of attempted capital murder and aggravated arson. The doctor set fire to her home, killing two of her children

- and injuring a third child. She also tried to kill her ex-husband with poison.
- March 5: A Greentop woman, who pleads guilty to attempted production of methamphetamine and marijuana possession, is sentenced to seven years in prison in a case handled by the AG's Office. On March 6, a Greentop man gets the same sentence while three other defendants are found or plead guilty to possession of meth and drug paraphernalia.
- March 7: John Middleton of Spickard is convicted of first-degree murder for the 1995 shotgun slaying of an Iowa man. On March 14, he is sentenced to death.
- March 7: Governmental affairs attorneys obtain a court order freezing the assets of Macks Creek following a critical state audit that resulted in resignations by the mayor, city clerk, treasurer and an alderwoman. They also file a lawsuit seeking \$46,000, the amount from city traffic fines that should have been paid to a state fund.
- **March 12:** A Kansas City Internet service provider is ordered to pay \$20,000 in restitution and \$21,000 in investigation and prosecution costs to the state. Tyrell Inc. also must ensure consumers' credit reports are not damaged by erroneous information it sent to collection and credit-reporting agencies.
- March 12: The AG's Office files to intervene in a lawsuit alleging Southwestern Bell is charging long-distance companies too much for access to local phone lines, thereby increasing consumers' costs. On April 21, Nixon requests an immediate review of Bell's earnings and outlines his opposition to Bell's motion to dismiss the case.
- March 13: Nixon and Rep. Jim Kreider of Nixa call for legislation requiring inmates to pay fees when filing a lawsuit, a standard court procedure followed by other Missourians. Nixon says the legislation will help reduce frivolous lawsuit filings by inmates. On Aug. 28, it becomes law.
- March 13: Consumer attorneys sue two Kansas City businesses and an owner for misrepresenting the benefits of travel club memberships sold for as much as \$5,000 during high-pressure sales presentations.

March 13: Consumer lawyers charge two St. Joseph telemarketers with defrauding senior citizens in four other states. The seniors were told they had won valuable prizes but must send \$800 to \$5,500 to claim them. They did but got no prizes. On Dec. 8, Terry Lee Williams pleads guilty to three counts of unlawful merchandising practices and is sentenced to five years in prison. Robert Carl Gray also pleads guilty to three counts and is sentenced to one year.

March 18: Nixon calls on Congress to immediately enact a law that would ensure the rights of victims in the Oklahoma City bombing case to observe the trial and testify in the penalty phase. Nixon and the Oklahoma attorney general present a letter to Congress urging support for the legislation.

March 21: Criminal Division attorneys obtain a first-degree murder conviction against James Rufus Ervin of St. Louis. He brutally killed his godfather, Leland White, in Reynolds County and then threw the body into a burning trailer. On May 15, he is sentenced to death.

March 24: Governmental affairs attorneys prevail in a case in which a state commission finds cause exists to discipline the licenses of a St. Louis funeral home and director. The director received excess payments from a deceased's life insurance policies and refused to refund the money.

March 25: The state Supreme Court upholds the conviction and death penalty of Gary Lee Roll, who confessed to the 1992 slayings of a Cape Girardeau woman and her two sons. On April 29, the court denies a rehearing. On Nov. 3, the U.S. Supreme Court denies certiorari.

March 27: Criminal attorneys prosecute Robert Joos, convicted



St. Louisans honored: Nixon recognized Pastor B.T. Rice (third from right), the St. Louis Clergy Coalition and the American Cancer Society for their successful efforts to fight the illegal and unethical marketing of tobacco products to teens. "Pastor Rice organized a campaign to draw attention to Big Tobacco's efforts to target young African-American men. He has been an effective voice nationally and in St. Louis and has contributed to the demise of Joe Camel," Nixon said at an Aug. 12 news conference.

FIGHTING TOBACCO INDUSTRY: Companies sued

March 20: Nixon negotiates a clause in the Liggett tobacco settlement that will allow any state that sues tobacco companies within the next six months the same access to documents as the original group of litigators. Liggett Group broke the code of silence about addiction and marketing tobacco to children in a landmark settlement with several other states.

April 23: Nixon announces the office will sue the major tobacco companies for illegally targeting children in their advertising campaigns and for lying to consumers about the addictiveness of nicotine.

May 12: Consumer attorneys sue the tobacco companies and associations that have coordinated public relations, advertising and lobbying work for the tobacco industry. June 20: Following the announcement of a proposed settlement with the tobacco companies, Nixon says he will meet with public health and medical experts throughout Missouri before fully supporting the agreement obtained by attorneys general.

July 3: Nixon holds a public briefing in St. Louis and Kansas City for health professionals and others. On **July 7**, he holds a similar briefing in Springfield.

Oct. 30: Nixon announces a state legislative package designed to reduce youth smoking and provide the state with many of the same benefits the tobacco companies had agreed to in a national settlement now stalled by congressional inaction. Nixon's proposals include disclosing ingredients in tobacco products and outlawing vending machines in places where minors are allowed.



of resisting arrest and carrying a concealed weapon. Joos, pastor of a splinter church in McDonald County, was harassing residents with bogus legal actions. When state troopers attempted to arrest him, Joos refused to recognize their authority. On **April 4**, Joos is sentenced to 33 months in prison.

March 28: Inmate Leslie Irvin reimburses the state \$9,793, which fully covers the cost of her incarceration for drug possession. Just days before her release, Irvin received \$25,000 as beneficiary of a life insurance policy.

March 28: Consumer attorneys sue Phone Calls Inc., a long-distance carrier, accused of blatantly slamming and billing for phone service not authorized by Missourians. Several consumers were billed at rates substantially higher than the original carrier's rates.

March 28: A real estate agent's license is placed on two years' probation after he admitted to a check-kiting scheme in a joint stipulation with the AG's Office and the Missouri Real Estate Commission.

March 28: Nixon calls for TV networks to limit the content of promotional advertisements during family programming to shield youngsters from graphically violent or sexual scenes. Nixon and 48 other attorneys general sent a letter with their request to the major networks.

March 31: A Douglas County prosecutor pleads guilty to driving while intoxicated and has his drivers license suspended in a case prosecuted by the AG's Office. He receives a suspended imposition of sentence and is placed on two years' probation, during which time he agrees not to drink. On April 21, criminal attorneys file a motion to revoke Carl Smith's probation after he is seen drinking. On May 14, his original sentence is revoked and he is sentenced to a 30-day suspended execution of sentence and two years' probation. He is fined \$250.

APRIL

April 7: The license of a Shrewsbury nurse is revoked after she pleads guilty to sodomy and statutory sodomy. The nurse had engaged in sex acts with 12- and 13-year-old friends of her son.

April 8: Marvin Chaney is convicted of first-degree murder and sentenced to life in prison without parole for the 1991 kidnapping and murder of Macks Creek convenience store worker Trudy Darby.

April 9: A state commission finds that cause exists to discipline the license of a Maryville funeral director who had been convicted of stealing from his employer.

April 10: Inmate Darryl Gilyard, serving a life sentence for murder, reimburses the state \$12,531 for the cost of his care. The money comes from a lawsuit settlement. On July 29, he pays \$11,745. On **Dec. 2**, he pays \$5,800 more.

April 10: The AG's Office defeats attempts by The New York Times to have released a confidential court record — a 1975 psychiatric evaluation of Marshall White. The cult leader had recently committed suicide. The judge says state law clearly prohibits disclosure, even when an evaluee dies.

April 15: Consumer attorneys file criminal charges against five McDonald County residents for allegedly promoting a pyramid scheme.

April 14: Nixon holds a public hearing in St. Louis to take comments on the proposed acquisition of Deaconess-Incarnate Word Health System, a nonprofit public benefit corporation, by for-profit Tenet HealthSystems. Deaconess operates three hospitals in the St. Louis area. On June 26, Nixon approves the proposed sale of the hospitals but secures an enforceable commitment by Tenet to continue providing at least the same level of charity care as Deaconess had.

April 15: The AG's Office negotiates a \$1.6 million settlement with two surety companies that bonded the coal mining operations of Missouri Mining Inc. The company went bankrupt after mining several thousand acres in Putnam County. The companies will pay the bond money if a land reclamation work plan is not satisfactorily completed in a manner that protects the environment.

April 17: Consumer attorneys file a proposed settlement in federal court to resolve antitrust concerns of Missouri and four

other states about a proposed \$160 million merger of two of the nation's largest producers of deicing salt, Cargill Inc. and Akzo Nobel N.V. The settlement will preserve competition in eastern Missouri for local governments to buy bulk salt. On **April 25**, a consent judgment is signed. Missouri will get \$15,000 for attorney fees.

April 18: Environmental attorneys sue the operator of a waste tire dump in Raytown for storing thousands of waste tires. On Aug. 27, a judge orders the owner of Dick's Used Tires to remove the tires within 30 days.

April 21: A campground owner accedes to the AG's Office's demands that she prohibit all offroad vehicle traffic in the scenic Black River, a popular destination for ATV enthusiasts. Campers had raced through the river, seriously harming aquatic life.

April 22: Governmental affairs attorneys petition the court to order trustees of a Joplin charitable foundation to provide a complete accounting of Chase Foundation's activities for two years and to not disburse any assets until the accounting has been reviewed.

April 25: An environmental attorney serving as a special assistant U.S. attorney obtains a 37-month prison sentence against the owner of Ray's Automotive in St. Louis. Ray Feldman hired individuals who dumped 30 barrels of hazardous waste alongside the Mississippi River as it approached flood stage. Feldman must pay more than \$250,000.

April 26: The AG's Office raises \$700 in the WalkAmerica fundraiser. The Jefferson City March of Dimes chapter awarded the office first place for top money raised per capita and second place for top money raised by a governmental agency team.

April 28: A New York telemarketer who confessed to cheating an elderly Cape Girardeau woman out of thousands of dollars pleads guilty to two felony consumer fraud charges brought by consumer attorneys. On May 27, Martin Boyd is sentenced to seven years in prison.

April 29: The state Supreme Court upholds Dennis Skillicorn's death sentence. He was convicted in the 1994 killing of Richard Drummond of Excelsior Springs.

April 30: Consumers who paid \$269 to a Kansas City business for a credit card but instead received credit card applications can receive restitution under a federal court order. Missouri and four other states sued Medical Plus Network for conducting an advance fee loan scam.



INTERNET GAMING

Companies sued for law violations

INTERACTIVE GAMING

April 7: Consumer attorneys ask for a court order to stop a Pennsylvania company from offering gambling to Missourians through its casino site on the Internet.

April 24: A temporary injunction prevents
Interactive Gaming & Communications from taking bets from Missourians.

May 23: A judge orders IGC to stop taking bets from Missourians and pay \$66,050

in penalties and costs to the state.

June 26: A Greene County grand jury returns criminal charges against IGC and president Michael Simone. The indictment charges them with promoting first-degree gambling.

Oct. 16: A Pennsylvania judge orders Simone to turn in his passport. A trial will be scheduled in 1998.

Nov. 21: The corporation pleads not guilty.

Consumer attorneys sued a Pennsylvania company and an Indian tribe offering gambling to Missourians.

INDIAN GAMING

May 28: Consumer attorneys sue an Idaho Indian tribe and the operator of its Internet site to keep them from marketing and offering gambling to Missourians. The suit was filed after an AG investigator participated in the Coeur D'Alene tribe's web-site lottery.

Dec. 29: Nixon says attempts by Indian tribes to offer gaming over the Internet are violating state gaming laws and the federal Indian Gaming Regulatory Act. In public comments filed with the National Indian Gaming Commission, Nixon said neither the regulatory act nor the use of the Internet should allow circumvention of Missouri laws.



MAY

- **May 5:** Environmental attorneys sue Simmons Food, a major chicken processor, for widespread water-quality violations at its plant in Southwest City.
- **May 7:** A federal judge dismisses a lawsuit filed by four inmates who claimed a 1995 state law prohibiting frivolous lawsuit filings by inmates was unconstitutional.
- May 9: The AG's Office asks the 8th Circuit Court of Appeals to order a federal judge to rule on an appeal filed six years ago by a death row inmate convicted of murdering three men at a St. Louis pawnshop in 1983. On June 24, the federal judge rejects all 25 of Moses Young's claims, including he had ineffective trial lawyers.
- **May 9:** Nixon meets with crime victims and their families in St. Charles to ask for support of legislative proposals drafted by the AG's Office. Nixon wants victims to have more judicial rights.
- May 13: Salt River Nursing Home in Shelbina agrees to pay \$42,500 to a former secretary who alleges she was sexually harassed and constructively discharged by administrator Von Snow. Labor attorneys represent the state Human Rights Commission
- **May 13:** Governmental affairs attorneys obtain the dismissal of a state employee who physically and verbally abused a mentally ill person at a Department of Mental Health facility. The worker also threatened other employees to keep them from reporting his actions.
- May 15: A federal judge rules that four defendants charged with racketeering are liable for civil damages to repay money fraudulently taken from the state Second Injury Fund. The four are among 11 St. Louis-area lawyers, medical professionals and administrative law judges the AG's Office sued in 1993 for conspiring to defraud the fund by inflating settlements and using some of the money to benefit the previous attorney general's political campaign. On June 16, Nixon reaches settlements with the two remaining defendants, bringing to \$1.6 million the amount to be returned to the defrauded fund.

- **May 16:** Environmental attorneys sue the owner of a tire dump near Camdenton, seeking removal of about 7,000 waste tires. On **Sept. 9,** the owner of Guaranteed Used Tires is ordered to remove the tires.
- **May 16:** Daniel Doherty Jr. of Las Vegas is sentenced to five years in prison and ordered to pay restitution to an elderly Bowling Green woman defrauded of more than \$10,000 in a telemarketing scheme.
- May 19: Former Christian County treasurer Gary Melton pleads guilty to two counts of felony stealing brought by the AG's Office. In a plea agreement, Melton is to serve seven years in prison and repay \$650,000 he stole from a county building fund.
- May 20: The AG's Medicaid Fraud Control Unit receives \$198,011 in restitution and penalties for the state Medicaid program from one of the nation's largest clinical labs. Missouri joined 43 other states and the federal government in a national probe of LabCorp of America Inc. The state payment was part of a \$187 million settlement with the Feds to resolve claims that LabCorp and its three predecessor companies overbilled the federal government health insurance programs.
- May 23: Nixon announces opposition to a proposal to lower the standard for merchandise bearing the "Made in the U.S.A." label. In a letter, Nixon urges the Federal Trade Commission to maintain the current standard that requires manufacturers to disclose non-American parts of labor.
- May 23: The owner of a St. Louis construction company pleads guilty to workers' compensation fraud and is fined \$2,230 and sentenced to a suspended 180 days in jail. As part of probation, he must spend 10 days in jail. He tried to collect workers' comp benefits for an injury he received before getting insured.
- May 27: The U.S. Supreme Court refuses to hear the habeas corpus petition of Ralph Cecil Feltrop, convicted of the 1987 murder of his girlfriend. On June 6, the state Supreme Court sets an Aug. 6 execution date. He is executed.
- **May 30:** Michael Rice, serving eight years for sexual assault and sodomy, reimburses the state \$25,200 for cost of prison care. He had an outside bank account.

JUNE

June 2: Charles Garrison, serving 15 years for forcible rape, reimburses the state \$36,846 for prison care. He is the beneficiary of two life insurance policies.

June 2: The U.S. Supreme Court refuses to hear the petitions of death row inmates Andrew Six and Donald Reese. On June 9, the Missouri Supreme Court sets an Aug. 13 execution date for Reese, convicted of two counts of murder in the 1986 killings of four men in Saline County. He is executed. On June 13, the court sets an Aug. 20 execution date for Six, who murdered a 12-year-old Iowa girl. He is executed.

June 4: A Sikeston woman who overbilled for in-home services to Medicaid recipients pleads guilty to two counts of stealing. Mindy McCormick receives a suspended 30-day sentence on each count and is placed on one-year probation.

June 4: A federal court denies the habeas corpus petition of Ralph E. Davis of Columbia. He is on death row for killing his wife in 1986.

June 9: The U.S. Supreme Court refuses to hear the habeas corpus petition of Ted Boliek, convicted for the 1983 shotgun slaying of an 18-year-old Kansas City woman along a remote Oregon County highway. On June 18, the state Supreme Court sets an Aug. 27 execution date. On Aug. 25, the governor orders a stay of execution to review Boliek's case.

June 9: In a speech to the Missouri Girls State Convention, Nixon says evidence indicating tobacco companies specifically targeted young people was a primary reason in his decision to sue the companies. He says new evidence indicates that girls, ages 14 to 17, are a primary target.

June 16: Environmental attorneys obtain a court order against Webster



CRIME VICTIM Rights

Fred Goldman, father of murder victim Ron Goldman, joined Nixon (seated left) to champion more judicial rights for crime victims. Joining them at the April 17 news conference were Rep. Kelly Parker (standing), who sponsored legislation, and Marilyn Bassett and her son John. Bassett's husband, Maries County Sheriff Roy Bassett, was murdered in 1994.

Oil Co. requiring the southwest Missouri underground storage tank owner to pay \$35,000 in civil penalties and to clean up a dozen tank sites in the Springfield area.

pleads guilty to cheating investors out of \$5.3 million through his bogus research facility, Conquest Labs. Patrick Graham sold stock, notes and stock options to 505 investors across the country, falsely claiming he had developed an AIDS-remission product. He used investments on himself and his family. On **Sept. 3**, he is sentenced to 15 years in prison.

June 24: The National Association of Attorneys General selects the Consumer Protection Division's Senior Sting project as a winner of its annual NAAG Elder Initiative Award. The award recognizes three AG's offices for best programs aimed at improving the lives of seniors. Consumer attorney

Anne Schneider implemented and coordinated the project, a statewide undercover operation using more than 900 seniors to combat fraudulent junk mail solicitations and telemarketing calls.

June 24: Nixon is appointed chairman of the Criminal Law Committee of the National Association of Attorneys General, one of its largest committees. He will direct NAAG's policy on a variety of criminal-related issues.

June 25: Farm chemical manufacturer Zeneca will pay \$3.9 million to Missouri and 47 other states to resolve allegations it fixed resale prices. Zeneca allegedly required dealers to sell its chemicals at or above certain prices to receive rebates. Missouri will receive \$201,322.

June 26: A Boone County grand jury returns an indictment charging Boone Retirement Center and administrator Patrick Rackers with



eight counts of neglecting residents and 28 counts of Medicaid fraud. They allegedly allowed eight residents to develop bedsores in 1995. The AG's Medicaid Fraud Control Unit was appointed special prosecutor.

June 26: At the request of consumer attorneys, a Greene County grand jury indicts stockbroker Randal Stump on three counts of securities fraud.

June 27: The U.S. Supreme Court refuses to hear the federal habeas corpus petitions of two death row inmates. Alan Bannister was convicted of the 1982 contract murder of Darrell Ruestman in Joplin. On Sept. 24, the state Supreme Court sets an Oct. 22 execution date for Bannister. He is executed. Samuel McDonald killed Robert Jordan, an off-duty St. Louis County policeman, in 1981. On July 14, the state Supreme Court sets a Sept. 24 execution date for McDonald. He is executed.

JULY

July 3: Schnuck Markets Inc. reaches an agreement with the AG's Office and the Federal Trade Commission to lease two of its closed store locations in the St. Louis area to other supermarket operators. Schnucks closed them after the company acquired all of the St. Louis-area National stores in 1995. Schnucks also must pay a total of \$3 million in penalties to the FTC and in investigative fees to the state.

July 9: A state commission rules that cause exists to discipline the license of a Rolla optometrist after an investigation revealed he did not perform adequate eye exams.

July 9: The AG's Office files a motion for contempt of court against two former directors of the multimillion-dollar Lichtenstein Foundation for refusing to turn over diamond bracelets and other property belonging to the St. Louis charitable trust fund. Sisters Ellie Lichtenstein and Arlene Frazier are accused of failing to turn over the property as ordered by a judge. On July 29, they turn over the property.

July 11: Environmental attorneys sue a Wright City man accused of illegally dumping leachate onto his property near a creek instead of hauling it to a wastewater treatment plant.

James Boyle works for landfill owner James Zykan, accused of mismanaging three sites in Warren County. On **Nov. 17**, environmental attorneys obtain more than one-half million dollars in civil penalties at trial against Zykan. He is ordered to clean up leaking landfills and haul contaminated leachate to a treatment plant.

July 11: The former owner of an apartment complex in Maplewood and a manager of a property management company are found to have discriminated against an African-American tenant. The tenant was awarded \$9,000 in damages and employees of the company must attend racial sensitivity training. The AG's Office presented the tenant's case to the state Human Rights Commission.

July 11: Nixon encourages city and county officials to use new crime-fighting federal block grants they received to establish fast-track drug courts in Missouri. Nixon says the drug courts would help keep drug dealers off the street by quickly moving their cases to trial. On July 30, Nixon renews his call for establishing drug courts in a speech to 250 members of the Missouri DARE Officer's Association.

July 14: A St. Peters home repair contractor pleads guilty to five criminal counts of charging customers for work never performed. On Aug. 22, Harry Jacobs is sentenced to three years' probation and to stay six consecutive weekends in jail, and ordered to pay \$5,050 in restitution and serve 300 hours of community service. On the same day, he pleads guilty to six more similar counts brought by a St. Louis County grand jury. On Nov. 3, Jacobs is placed on five years' probation and ordered to pay \$10,056 in restitution.

July 15: Nixon informs the U.S. Forest Service that the AG's Office opposes uncontrolled lead mining in Missouri's scenic river watersheds. In a letter, Nixon says lead mining should not be allowed in the Eleven Point River unless the environmental effects can be known and addressed.

July 15: Owners of a Camdenton satellite business are ordered to pay \$5,655 to reimburse customers for programming services not received after the business

closed. The owners of Armstrong Communications also must pay \$1,500 to the state.

July 15: A nursing home worker pleads guilty to attempting to obtain a controlled substance in Pemiscot County. Marlina Hancock ordered drugs from a pharmacy using the names of Medicaid recipients at the nursing home and then stole the delivered drugs. Litigation attorneys assisted the Pemiscot County prosecutor.

July 17: Tour operator Sheila Ann Hall pleads guilty to two felony criminal charges that she cheated a group of retired military pilots planning a reunion in Branson. Hall used the money the pilots paid for the trip for personal use. On Oct. 2, she is sentenced to two years in prison.

July 21: A St. Louis man is sentenced to pay a \$1,000 fine for making political contributions exceeding limits to a candidate for St. Louis comptroller. The AG's Office handles the case, believed to be the first criminal prosecution in the state for violating contribution limits.

July 23: The nation's largest direct-mail sweepstakes operation is ordered to pay the largest consumer protection order in state history. Direct American Marketers must pay \$8.6 million in restitution and penalties. The California company misled more than 80,000 Missourians into believing they had won large prizes but needed to call to confirm. The "900" calls cost more than \$25. Most won \$1.

July 23: Environmental attorneys sue a Nodaway County man accused of illegally hauling and storing thousands of waste tires at three sites, including one in Guilford.

July 23: An unlicensed towing company that removed vehicles from a St. Louis parking lot is

ordered to close temporarily. A sign did not state that public parking was prohibited at the lot where unknowing parkers were charged hundreds of dollars to recover their towed cars. On **Aug. 21**, the temporary restraining order against Action Towing is extended indefinitely.

July 24: Governmental affairs attorneys successfully defend the decertification of an instructor for a drug and alcohol abuse program in Cape Girardeau. The Department of Mental Health had revoked the instructor's license following numerous complaints of improper conduct including demands of sexual favors from clients.

July 24: Consumer attorneys sue a
North Carolina business that
marketed and sold beer to a minor
over the Internet. Hog's Head Beer
Cellars also does not have a
Missouri license to sell liquor.

July 29: The AG's Office demands that a poultry-manure processing facility near Purdy install odor controls in a settlement agreement. First Fertilizer is the first agricultural facility in the state to be required to eliminate odors.

July 30: The Medicaid Fraud Control Unit works with the FBI and the U.S. Attorney's Office to indict a Creve Coeur couple on five federal felony counts for billing Medicaid and private insurance companies for dental work not performed.

AUGUST

Aug. 4: The distributor of a phony body brace, illegally billed to Medicaid and Medicare recipients, pleads guilty to a scheme costing taxpayers more than \$1.5 million. Earl F. Ray Jr., co-owner of Health Care Providers and Innovative Medical Products, pleaded guilty

to defrauding Medicare and Medicaid. Ray will serve at least 36 months in prison and pay at least \$284.576 in restitution.

Aug. 6: A psychotherapist pleads guilty to Medicaid fraud for billing for services not rendered through Community Counseling Services in St. Roberts. Thomas Lawrence was sentenced to a five-year suspended prison term and five years' probation and must perform 720 hours of community service. He also must serve 30 days in jail and pay \$51,727.

Aug. 7: Consumer attorneys seize more than \$60,000 from LeeRoy Donham. The Carl Junction man is accused of charging consumers \$1,200 to participate in a pyramid scheme advertised as an antique reproduction business and network marketing company.

Aug. 7: Consumer attorneys accuse Charles Polley of St. Joseph of violating a 1987 injunction that prohibited him from not honoring guarantees for home improvement work. On Aug. 8, attorneys sue the owner of A-1 Construction & Exteriors for allegedly cheating consumers out of hundreds of dollars by poor workmanship and failing to honor his guarantees. On Oct. 2, Polley signs a preliminary consent injunction requiring him to honor guarantees and to provide consumers a written statement that he is not bonded, licensed or insured for workmanship. On Oct. 9, Polley is fined \$10,000 in civil penalties for violating the 1987 injunction.

Aug. 15: The consumer division shuts down two vendors on the second day of the State Fair.

American Veterans Association, an unregistered charity, was signing up unsuspecting fairgoers for a \$60 voice-mail service under the guise of a chance to win cash or a car.

Mega\$Nets, a pyramid scheme operator, was operating a booth close to an AG's Office exhibit.



- **Aug. 18:** An Osage Beach man is arrested after consumer attorneys and the Camden County prosecutor file three counts of unlawful merchandising practices against him. Scott Nelson Thompson allegedly did not provide consumers with \$300-\$400 vacation packages sold through his businesses, Miami Vacation Co. and Atlantis.
- **Aug. 19:** Bausch & Lomb agrees to pay \$100,000 to Missouri and stop deceitful selling practices. Consumer attorneys alleged the contact lens maker deceived consumers by marketing the same quality lenses under three brand names for wholesale prices ranging from \$2.50 to \$23 per lens.
- Aug. 25: Litigation attorneys sue a Texas county for not providing the Missouri Department of Corrections with information about a 1996 incident in which Brazoria County deputies were videotaped abusing Missouri inmates housed at the jail. On Aug. 27, a Cole County judge orders Brazoria County officials to release information about the inmates' treatment. Nixon later advises the Missouri prison director to withhold a \$319,000 payment to Brazoria County.
- **Aug. 27:** Environmental attorneys receive \$160,000 from a landfill near Carrollton. The state will use the money to properly bury trash at Midwest Method Land Management Sanitary Landfill. The money comes from a state-mandated fund to provide 30 years of care for a landfill if owners stop maintaining it. Midwest had paid the money into the fund.
- **Aug. 28:** The AG's Office and the Department of Natural Resources reach an agreement with International Paper Co., which will pay a \$14,000 penalty to the Jasper County School Fund for polluting a Joplin creek. It will terrace its land to keep polluted storm water discharge out of the creek.
- Aug. 29: A Savannah social worker is sentenced to 120 days' shock time in prison for Medicaid fraud. Marilyn Miller-Davis pleaded guilty to two counts of making a false statement to receive a health-care payment. Her two five-year prison sentences were suspended. On Jan. 5, 1998, the judge orders her to remain in prison because she did not repay Medicaid for any of the \$150,000 or provide a repayment plan as required.
- **Aug. 29:** Environmental attorneys negotiate a settlement with Lambert Airport to improve de-

- icing operations. The St. Louis airport will collect runoff during de-icing operations and make reasonable efforts to recycle de-icing agents. A new collection system also will be constructed and substantial penalties assessed if water pollution problems from de-icing occur in the future.
- Aug. 29: Environmental attorneys sue a Strafford business, seeking an injunction and a \$40,000 civil penalty for air pollution violations. Glasfoam Inc. and its president and air monitor are accused of failing to adequately inspect two asbestos projects in Springfield.
- **Aug. 29:** Highway patrol investigator Jack Merritt will head the investigative unit of the AG's Springfield office. The 27-year state patrol veteran will direct criminal and white-collar investigations in the southwest Missouri area.

SEPTEMBER

- **Sept. 3:** Special prosecutors charge the Cuba city clerk with three counts of felony stealing. On **Sept. 4,** Ruth Ann Williams surrenders to local authorities for stealing \$1,177 from the city in December 1996.
- **Sept. 3:** Environmental attorneys sue a Holt County hog farmer to bring him into compliance with the state clean water law. Daryl Larson owns confinement buildings, pits and a lagoon that are in disrepair and are near state waterways.
- **Sept. 3:** In a multistate agreement, the AG's Office reaches a settlement with Sears, Roebuck & Co. requiring the retailer to pay \$40 million to all the states for improperly collecting money from customers whose debts were erased by bankruptcy filings.
- **Sept. 4:** Criminal attorneys obtain firstdegree murder and armed criminal action convictions against Jamie Jackson. He killed Tracy Spencer of Kirksville.
- **Sept. 5:** Information from sex offenders who are required to register with local law enforcement officials is a public record, Nixon opines. The name, address and offender's crime are public information. The Greene County prosecutor had requested an AG opinion to interpret two new state laws.

Sept. 8: The 8th Circuit Court of Appeals affirms the death sentence and conviction of Bruce Kilgore. He and a co-defendant kidnapped, robbed and stabbed Marilyn Wilkins and then dumped her body in Forest Park in St. Louis in 1986.

Sept. 9: The engineering license is revoked of a Kansas City man who pleaded guilty to mail fraud for authorizing a \$117,000 payment from his employer to a nonexistent landscaping company.

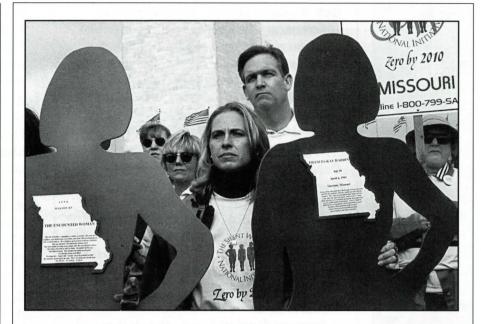
Sept. 11: An agreement between the state and a Springfield hospital will provide patients with competing choices on home health care. The agreement addressed concerns that Cox Health Systems should not recommend only a provider owned by the hospital, but should give a list of providers.

Sept. 12: A vendor at the Blue Springs Fall Fun Festival is prevented from using a giveaway contest to improperly switch the long-distance phone service of contest registrants. Consumer attorneys obtained the temporary restraining order against LCI International Telecom Corp. and Campus Promotion Network Inc.

Sept. 16: The AG's Office, appointed special prosecutor, charges Taney County Associate Circuit Judge Peter Rea with felony sexual abuse. He is accused of inappropriately touching a secretary of a lawyer.

Sept. 16: Labor attorneys get a favorable decision against an employee who filed for state Second Injury Fund benefits, saying he was permanently and totally disabled. State evidence included a videotape showing the employee jogging.

Sept. 24: Nixon calls for weaponsfree school zones and legislative changes that will decertify teachers who have criminal records and who have pleaded guilty to misconduct involving children.



MARCHING for domestic violence victims

Nixon marched in Washington, D.C., in October with more than 30 Missouri domestic violence activists devoted to helping abuse victims. Nixon was selected by the National Council of Jewish Women in St. Louis to serve as honorary chairman of the Missouri delegation. With him is Carol Gans of St. Louis.

Nixon made his remarks in a speech to the St. Louis Suburban Principals Association.

Sept. 30: The Financial Services Unit in the AG's Office sets a record for monthly collections, obtaining more than \$102,000 in September. The largest single collection, \$48,374, went into the Tort Victims' Compensation Fund.

OCTOBER

Oct. 1: Criminal attorneys file a complaint seeking to permanently revoke the officer certification of Berkeley Acting Police Chief Anthony Dickson, who twice tested positive for marijuana.

Oct. 6: Nixon outlines his support for tougher methamphetamine laws and calls for fast-track drug courts during a meth summit attended by about 150 state, local and federal

officials. The summit addressed the boom in meth use and production and addressed legislative and law enforcement issues. On **Dec. 11**, Nixon speaks at a Kansas City public forum attended by other law enforcement officials.

of nonprofit St. Louis University
Hospital to for-profit Tenet
Healthcare Corp. will be
thoroughly reviewed to ensure the
sale would not jeopardize the
delivery of essential health-care
services in the area. On Dec. 17,
Nixon holds a public hearing in St.
Louis.

Oct. 8: Environmental attorneys collect a \$22,000 settlement from IMCO Recycling Inc. for violating state air pollution laws. IMCO's metal fabricating plant in Scott County was openly burning industrial waste and emitting dust particles.



- **Oct. 9:** Environmental attorneys reach an agreement with a company that bought one of two plants from Vaughan Brothers, the state's largest poultry laying operation. The bankrupt Vaughan Brothers had been operating without a permit. The new owner has agreed to get a permit and comply with state law. The state is working with the other buyer to comply with state laws.
- **Oct. 17:** Environmental attorneys obtain a settlement barring Ferrel Pride and his company, Midwest Environmental Technology, from doing business with the state or any of its agencies for five years. Pride had improperly spread contamination while cleaning up an underground storage tank site near Columbia.
- Oct. 17: Environmental attorneys inform
 Premium Standard Farms officials they will
 be sued unless they come up with a
 permanent remedy for ongoing violations of
 water pollution laws. The AG's Office claims
 the north Missouri hog producer has had
 several waste spills into streams.
- **Oct. 20:** Cecil Clayton of Purdy is sentenced to die for the Nov. 27, 1996, killing of a Barry County deputy. Christopher Castetter, who was dispatched to a home, was shot by Clayton on arrival. The AG's Office assisted the Barry County prosecutor.
- Oct. 20-21: Nixon and Oklahoma AG Drew Edmundson host a national conference exploring hate crimes and domestic terrorism. The National Association of Attorneys General conference provided law enforcement officials a chance to exchange information on anti-government groups. Nixon announces he has joined forces with the Anti-Defamation League to fight hate crimes on the Internet.
- **Oct. 21:** Environmental attorneys negotiate a consent judgment against Sharpe Land & Cattle Co., the largest cattle confinement feeding operation in Missouri. The Lewis County operation must conform to environmental laws and pay a \$56,000 penalty.
- **Oct. 22:** Following a two-day trial, a landlord in University City is found liable for racial steering and discrimination and ordered to pay two prospective renters \$8,000.
- **Oct. 24:** Consumer attorneys file three criminal charges of unlawful merchandising practices against a Blue Springs man who did

- business as Noah's Ark Roofing & Repair. John Howard Ray allegedly took more than \$11,000 from two residents and a church under the false promise he would buy roofing material and begin construction.
- **Oct. 24:** Consumer attorneys file criminal charges that lead to the arrest of Daniel Patrick O'Leary of Aldrich. The owner of Shamrock Construction allegedly took money for barn construction and other projects but never completed the work.
- **Oct. 27:** A former Camden County assistant circuit clerk pleads guilty to stealing \$243,154 from the county from 1988 to mid-1996. On **Jan. 2**, **1998**, Debra Kirby is sentenced to seven years in prison.
- **Oct. 27:** During Consumer Education Week, Nixon announces a concentrated attack on home repair fraud with the filing of criminal charges and civil lawsuits in courts throughout the state.
- **Oct. 30:** A nurse's license is revoked after governmental affairs attorneys prove the nurse physically and verbally abused residents at Meadowbrook Manor in Joplin.

NOVEMBER

- **Nov. 3:** Governmental affairs attorneys obtain the license revocation of a Lake of the Ozarks dentist. Dr. Jethro Black Jr. inappropriately touched nine female patients.
- **Nov. 3:** Governmental affairs attorneys obtain a \$43,000 judgment from the operators of Playschool, a child-care facility.
- Nov. 4: A disbarred Lawrence County lawyer pleads guilty to stealing more than \$186,000 from several clients. Governmental affairs attorneys filed six counts against Stephen Richard Soutee. Soutee took money from estates, disability payments and personal injury settlements from 1991 to 1996. On Jan. 8, 1998, he is sentenced to 14 years.
- **Nov. 6:** The state Supreme Court sets a Jan. 28, 1998, execution date for Elroy Preston, sentenced to death for a 1980 murder in north St. Louis.
- **Nov. 6:** Following trial, environmental attorneys obtain a judgment against the owner of a Columbia gas station/ convenience store that went out of business

and failed to remove underground gas storage tanks. Indo-American Co., owner of Top Notch Square, and an officer were assessed \$24,500 in civil penalties.

Nov. 7: Consumer attorneys sue Freshstart Financial Management and American Home Buyers Association for illegally advertising and selling credit repair and loan services in the Kansas City area.

Appeals affirms a summary judgment against a St. Louis state hospital patient who sued his psychiatrist for administering antipsychotic medication without his consent. The plaintiff, a paranoid schizophrenic, was admitted after being found incompetent to stand trial for stabbing his nephew.

Nov. 10: A Springfield food service worker pleads guilty to workers' compensation fraud after she filed a claim for knee injuries and lied that she had no prior knee problems. She was ordered to spend 10 days in jail and perform 40 hours of community service.

AG's offices join a federal lawsuit accusing Toys R Us and four toy makers of conspiring to restrict distribution of some popular toys, resulting in higher prices. Toys R Us allegedly pressured Mattel, Hasbro, Tyco Industries and Little Tikes Co. into agreements to ensure that warehouse discounters could not get certain toys or had to buy them along with other toys.

Nov. 21: Kristen Allen of Clinton is sentenced to life in prison without parole after pleading guilty to first-degree murder. Allen and boyfriend Shelby Steward beat to death a Clinton car salesman. On Nov. 27, Steward is sentenced to life in prison without parole after he pleaded guilty to first-degree murder. The AG's Office assisted the Henry County prosecutor.



TOURING ALTERNATIVE SCHOOLS

Nixon visits with students at an alternative school in Fulton. He toured four other alternative schools to see how they are helping at-risk students and promoting classroom discipline and safe schools. He is recommending continued state funding for the program.

DECEMBER

Dec. 1: In a case litigated by Labor attorneys, the state Human Rights Commission recommends awarding more than \$28,000 in damages to a male employee fired because he stayed home with a sick child. Evidence that the boss said the employee's wife should stay home because that was woman's work led to a finding of unlawful gender discrimination.

Dec. 1: Consumer attorneys seek extradition of an Oklahoma man to stand trial on 12 criminal charges of unlawful merchandising practices. Jeffery Ray Mathis is accused of defrauding Missouri businesses by billing for advertising on school sports calendars and posters he never intended to produce.

Dec. 8: The AG's Office and the Department of Natural Resources resolve a case in which the city of Crane illegally discharged untreated sewage into Crane Creek. Nearly 800 fish were killed, including a rare rainbow trout strain. Crane will reimburse the state \$20,000 for an investigation and pay a \$15,000 civil penalty. It also will pay \$8,850 for the dead fish and for lost recreational value for anglers.

Dec. 11: Nixon asks the state Air Conservation Commission to begin regulating the state's largest corporate farms for odor emissions. Small- and mediumsize family farms would be exempt. The commission currently does not regulate animal feedlot odors.

psychiatrist is convicted of 19 counts of sexual assault and deviate sexual assault. William Cone, 73, had assaulted two female patients over six years. Jurors recommend seven years in prison on each count. Sentencing is **Feb. 2, 1998.**

Dec. 19: Nixon outlines his 1998 anticrime legislative package to the Greater Kansas City Law Enforcement Executives. He calls for gun-free school zones, alternative schools and fast-track drug courts.

Dec. 22: A professional fund-raising business that misrepresented its connections with Columbia firefighters will give back contributions to donors who want a refund. Mario Manzini Productions of Columbia also must pay \$15,000 in penalties and costs to the state.

Dec. 23: Nixon asks the state
Supreme Court to take transfer of the state's case against George Revelle and reinstate his 1996 conviction for first-degree murder. Revelle was convicted of killing his wife. An appeals court had overturned the conviction, saying a memo written by Lisa Revelle should not have been admitted at trial.

1997 ANNUAL REPORT

OVERVIEW



Represents the state in every felony case appealed to the state Supreme Court and Missouri Court of Appeals, or reviewed by the U.S. Supreme Court.

Division attorneys:

- Assist local prosecutors in serious or difficult trials and grand jury proceedings.
- Prosecute cases of workers' compensation fraud or noncompliance.
- Represent the Highway Patrol.
- Train state troopers and the law enforcement community.
- Produce Front Line, a publication informing law enforcement of recent legal developments.

SPECIAL PROSECUTIONS

Criminal attorneys handled 59 special prosecutions in 37 counties. Among cases prosecuted:

AG's Office assists counties

Special prosecutors obtained 14 murder convictions. Four were sentenced to death and five to life without parole. Among the cases:

- A Stone County jury convicted **Tim Chaney** of first-degree murder. He was sentenced to death for the abduction and murder of a 12-year-old Springfield girl.
- Jurors recommended the death sentence for **John Middleton** of Spickard. He was convicted for the 1995 shotgun slaying of an Iowa man in Harrison County.
- Jackson Neely was convicted for a 1995 murder in Butler County. He was sentenced to life without parole.
- A jury convicted **Cecil Clayton** of Purdy of first-degree murder. He was sentenced to death for killing a Barry County deputy sheriff.
- Daniel Basile was convicted of first-degree murder in St. Charles County and sentenced to death for hiring a man to murder his wife.
- James Rufus Ervin of St. Louis was convicted of first-degree murder and sentenced to death for brutally killing his godfather, Leland White, in Reynolds County. He cut the victim's throat numerous times and bashed in his head before throwing the body into a burning trailer.

- An Adair County jury convicted **Jamie Jackson** of first-degree murder and armed criminal action in the killing of a Kirksville man. He was sentenced to life without parole on the murder conviction and 25 years in prison for the other conviction.
- Shelby Steward and Kristen Allen of Clinton were sentenced to life in prison without parole in separate trials after pleading guilty to first-degree murder. They beat a Clinton car salesman to death in their home.

Psychiatrist sentenced to prison

A former West Plains psychiatrist was convicted of sexually assaulting two patients. Ray County jurors recommended William Cone be sentenced to seven years in prison on each of the 19 sexual assault counts brought by criminal attorneys. Cone assaulted the two women numerous times between 1988 and 1993. Sentencing is Feb. 2, 1998.

Gun-toting man prosecuted

The leader of a right-wing group in McDonald County was sentenced to 33 months for resisting arrest and carrying a concealed weapon. Robert Joos was convicted of harassing residents with bogus legal actions. When state troopers tried to arrest him on an outstanding warrant, Joos refused to recognize their authority and attempted to drive away.

Combating methamphetamine

Missouri led the nation in the number of meth arrests in 1997. To combat the meth problem, Nixon outlined his support for tougher state meth laws and assisting prosecutors in multijurisdictional cases.

Tougher meth laws

Nixon worked with law officers and prosecutors on a proposal to increase the penalty for methamphetamine possession and to reduce the quantity qualifying as a felony.

A bill introduced in 1998 would expand the list of over-the-counter products used in meth that must be registered when sold in bulk. The bill also would provide more funding to the Department of Natural Resources to help clean up dismantled meth labs.

The office prosecuted drug cases, including one where a north Missouri man and woman were each sentenced to seven years in prison after pleading guilty to attempted production of meth and marijuana possession.

Ricky Pinkerton and Joyce Crawford, both of Greentop, were prosecuted by the AG's Office along with three other defendants found guilty of possessing meth and drug paraphernalia.

Assisting drug task forces

The AG's Office proposed legislation for 1998 to provide direct legal assistance to regional drug task forces in Missouri. Federal prosecutors provide legal counsel to a few of the 24 task forces, but most need additional legal support.

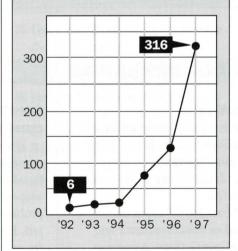
Nixon said the AG's unit would work cooperatively with local prosecutors and law enforcement on multijurisdictional prosecutions, such as cases that cross county lines. It also would provide legal assistance to prosecutors on request.



Attorney General Nixon proposed weapons-free school zones during a stop at Trailwoods Elementary School in Kansas City. "Education is what should happen here, not intimidation," Nixon said in announcing his 1998 anticrime legislative package.

Meth labs seized

The number of methamphetamine labs seized in the state in 1997 jumped 161 percent from the previous year. Meth labs were investigated in nearly three-quarters of all Missouri counties in 1997.



Source: Missouri State Highway Patrol

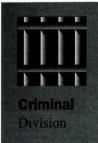
Weapons-free school zones

Nixon called for a new state law that would forbid weapons within 1,000 feet of schools. Law enforcement officials and law-abiding residents living in the zones would be exempt.

Nixon also pushed legislative changes that will decertify teachers who have criminal records and who pleaded guilty to misconduct involving children.

Targeting at-risk students

Nixon toured five alternative schools throughout the state with area legislators and school administrators to monitor their success in keeping atrisk students in school. After touring schools in Affton, Cape Girardeau, Fulton, Springfield and Sedalia, he pushed for continued state funding for the program, which is partially funded by the 1996 Safe Schools Act.



IN THE **NEWS**

Goldman touts victims' rights in Capitol visit

Nixon wan safe schoo

But another law might not help that much

ome might call Missouri Attorney General Jay Nixon's public call for gun-free zones around schools in the wake of tragic triple murder at a Paducah, Ky., school predictable. This Democrat does have a reputation for grabbing headlines. But we give Mr. Nixon more credit. He is sincerely responding to a growing pattern of shootings at public schools. Still, we believe his proposal will do little more than make some law-makers feel good about themselves.

elves. First, there is already a federal aw on the books that makes car-Nixon reveals new anti-crime plan

Attorney general pushes for stronger meth laws, fast-track drug

aws to be also wants la urts statewide

He spoke to reporters Friday after

courts and alternative school funding.

an armed weapon in the conduct

an armed weapon in the conduct of a crime.

Finally, let's keep a focus on what actually happened in Paducah. A 14-year-old boy, upset at his treatment at school, carried in a small arsenal of weapons and ammunition wrapped in blankets into Heath High School. Officials report he calmiy put plugs in his ears and opened fire on a prayer group just before classes began Monday morning. It is a tragedy that no one neither the school administration, teachers nor counselors noticed any red flags in this child's behavior. It is a tragedy child's behavi

noticed any red flags in this child's behavior. It is a tragedy that no one — not even other stuthant no one — not even other stuthant no one — not even other state. It is a recent methamphetamine summit attended by several state. It is a recent methamphetamine summit attended by several state.

and providing successful uner relative providing successful uner risk youth.

"We have been tough and had great success in closis the loopholes in our laws and reforming our juven code," he said.



pushes for gun-free zones A federal law that created such

1,000 feet (Nixon Renews Call For Fast-Track

roads and rural hamlets, to create another meth lab while they are awaiting traia."

Nixon will be proposing new laws Missouri this legislative session to ablish fast-track drug courts oughout the state. New legislation ablishing fast-track drug courts will alifeantly reduce the number of pected drug dealers from quickly ting bond and walking the streets, on said.

lixon said his office is involved in umber of meth-related capital der cases and has been successful taining substantial prison time as ial prosecutors in meth cases ughout the state.

Ve have been aggressive, but we do more. Meth is an expensive lem - and it is a deadly drug,"

July, Nixon certified 53 Mis-counties and 16 county govern-s for up to \$8.3 million in federal grants for crime-fighting meas-He encouraged cities and coun-use part of the money to estab-

felony.

■ Expand the list of over-the-counter products used to nanufacture methamphetamine that must be regisered when purchased in bulk.

■ Provide direct prosecutorial and other legal serices to the state 24 regional drug task forces.

Only a few of the task forces are staffed by federal rosscutors and many of the others must rely on over-burdened, part-time local prosecutors, Nixon said. The attorney general said Missouri's war on crime in the 21st century should focus on protecting children and providing successful intervention programs for at-ink worth.

Attorney general Jay Nixon

WORKERS' COMPENSATION

Prosecutorial authority

The AG's Office has jurisdiction under state law to prosecute businesses that do not carry workers' compensation insurance for employees and individuals who fraudulently try to collect workers' comp benefits.

In 1997, the unit handled 71 cases of workers' comp fraud or noncompliance and obtained 16 criminal convictions. Attorneys also negotiated settlements or agreements in 19 other cases.

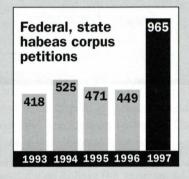
The unit obtained \$71,313 in penalties and fines. Among the cases:

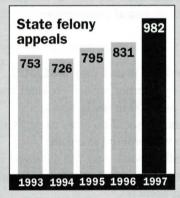
Construction company owner must pay

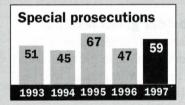
The owner of a St. Louis construction company pleaded guilty to workers' comp fraud and was fined \$2,230 and sentenced to a suspended 180 days in jail. As part of probation, he was required to spend 10 days in jail. He tried to collect workers' comp benefits for an injury he received before getting insured.

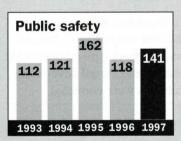
Cases assigned*

Criminal attorneys were assigned more than 2,147 cases, including a record number of felony appeals cases and habeas corpus petitions. Most of the petitions were filed by inmates challenging convictions in federal court. New federal laws require inmates to more quickly file petitions.









- * Among litigation cases not included:
- Rule 29.15 appeals consolidated with direct felony appeals
- Transfers of appeals to state Supreme Court
- Petitions for writ of certiorari filed in U.S.
- Supreme Court from state or federal rulings
- Appeals from federal habeas corpus petitions before 8th Circuit

FIGHTING CRIME

National task force

The AG's Office began participating in a new national task force created by the Comprehensive Methamphetamine Control Act. Task force members discuss ways to control the distribution of chemicals used to produce meth and keep tabs on those who buy large quantities of chemicals such as sudephede. Missouri is one of the few states with more than one member on the task force.

Fast-track drug courts

Nixon encouraged city and county officials to establish fast-track drug courts that would quickly put drug dealers on trial and keep them off the streets. The court would also place first-time offenders in a treatment program and then on to prison if they don't successfully complete it.

Marching for abuse victims

Nixon marched in Washington, D.C., with more than 30 Missouri domestic violence activists devoted to helping abuse victims.

The march, held during Domestic Violence Awareness month, was organized by the Silent Witness National Initiative, a group whose goal is to eliminate domestic violence deaths by the year 2010.

Nixon was selected by the National Council of Jewish Women in St. Louis to serve as honorary chairman of the Missouri delegation.

Nixon also made available a booklet explaining protection orders for abuse victims.



CRIMINAL APPEALS

Criminal attorneys successfully defended the state against cases appealed by inmates. Among the inmates:

- Gary Lee Roll: On death row for the 1992 slayings of a Cape Girardeau woman and her two sons.
- **Dennis Skillicorn:** On death row for his part in the 1994 murder of an Excelsior Springs man.
- Bruce Kilgore: On death row for kidnapping, robbing and stabbing a St. Louis woman in 1986.

CAPITAL MURDERS

Six convicted murderers were executed in 1997:

- Eric Schneider: Killed two St. Louis teachers at their home in 1985.
- Ralph Feltrop: Murdered his girlfriend in Jefferson County in 1987.
- Donald Reese: Convicted of two counts of murder in the 1986 killings of four men at a Saline County wildlife reserve.
- Andrew Six: Murdered a 12-yearold girl kidnapped in 1987 from her Iowa home.
- Samuel McDonald: Killed an offduty St. Louis County policeman in 1981.
- Alan Bannister: Murdered a Newton County man in an August 1982 contract killing.

CHAPTER 3

1997 ANNUAL REPORT

OVERVIEW

The Consumer Protection Division

Represents the state in consumer fraud cases. Through aggressive action by consumer attorneys, more than \$3.8 million was recovered in 1997 from companies and individuals accused of defrauding Missourians.

Among cases consumer attorneys pursue:

- Securities fraud.
- Criminal prosecution of businesses that defraud consumers through the advertising and sale of products or services.
- Antitrust matters.

These prosecutions often result in inprisonment, fines and restitution.

PATROLLING CYBERSPACE

The AG's Office kept watch for violations by Internet service providers and companies marketing services and products.

Internet ruling a first in nation

Consumer attorneys obtained the first ruling in the country to stop an Internet casino from operating. A judge ordered Interactive Gaming & Communications Corp. to stop taking online bets from Missourians and pay \$66,050 in penalties and costs to the state.

Consumer attorneys obtained the order against the Pennsylvania company for misrepresenting to an undercover investigator that it was legal to gamble in Missouri.

Consumer attorneys sued IGC's president for promoting first-degree gambling.

Indian tribe sued for illegal gambling

Consumer attorneys sued an Idaho Indian tribe and the operator of its Internet site to keep them from marketing and offering gambling to Missourians. The suit was filed after an investigator opened an account and participated in the Coeur D'Alene tribe's web-site lottery.

Internet provider must pay \$41,000

A Kansas City Internet service provider was ordered to pay \$41,000 in restitution and investigation and prosecution costs to the state. Tyrell Inc. also was ordered to ensure consumers' credit reports were not damaged by erroneous information it sent to collection and credit-reporting agencies.

Internet provider gives refunds

Consumer attorneys obtained an order requiring America Online to provide refunds or a one-month credit to Missourians who paid for unlimited Internet use but were unable to access it.

After AOL offered unlimited access for a flat fee but could not keep up with demand, Nixon and other attorneys general demanded AOL pay restitution and curtail advertising until access problems were corrected.

Internet beer company sued

Consumer attorneys sued a North Carolina business that marketed and sold beer over the Internet to a minor interning in the AG's Office. Hog's Head Beer Cellars also did not have a Missouri license to sell liquor.

NATIONAL ACTION

Consumer attorneys joined other states to take action against companies violating state consumer protection laws. Among cases prosecuted:

AG's Office sues tobacco companies

Consumer attorneys sued the nation's largest tobacco companies for targeting children in their ad campaigns and for lying to Missouri consumers about the health effects of tobacco use and the addictiveness of nicotine.

The suit alleged 12 causes of action including violating state consumer protection and antitrust laws for conspiring to restrain and suppress research on smoking. The state is seeking civil penalties, damages and reimbursement for millions of dollars the state spends on tobacco-related health costs.

Toys R Us accused of restricting distribution

The AG's Office and 39 other states joined a federal lawsuit accusing Toys R Us and four toy manufacturers of conspiring to restrict distribution of some popular toys, resulting in higher prices. Toys R Us was accused of pressuring Mattel, Hasbro, Tyco Industries and Little Tikes Co. into agreements to ensure that warehouse discounters such as Sam's Club could not get certain toys or had to buy them along with other toys.



Nixon explains how labeling on cigarette packages would change under a proposed agreement between attorneys general and tobacco companies. He met with health-care professionals and others in public meetings.

Agricultural chemical makers to pay

- One of the world's largest makers of agricultural chemicals agreed to pay \$7.3 million to settle charges it violated antitrust laws, resulting in higher prices for farmers.

 Consumer attorneys filed a complaint and settlement agreement with American Cyanamid on behalf of all the states. Missouri will get \$415,000.
- Zeneca was ordered to pay \$3.9 million to Missouri and 47 other states to resolve allegations it fixed resale prices. Zeneca was accused of requiring dealers to sell Zeneca chemicals at or above certain prices to receive cash rebates from the late 1980s through 1993. Missouri will receive \$201,322.

PROTECTING MISSOURIANS

Sweepstakes operator must pay \$8.6 million

The nation's largest direct-mail sweepstakes operation was ordered to pay the largest consumer protection order in Missouri history. Consumer attorneys obtained the civil court verdict of \$8.6 million in restitution and penalties against Direct American Marketers. The company misled Missourians by sending them bogus checks for \$7,500 or more to entice them to call a 900-number. The calls cost \$25. Most won \$1.

Health care a priority for all

The AG's Office worked to ensure that health care for the poor and essential services were not jeopardized for St. Louis-area residents when it reviewed two proposed sales of hospitals.

- Nixon announced that the proposed sale of nonprofit St. Louis University Hospital to for-profit Tenet Healthcare Corp. would be thoroughly reviewed to ensure the sale would not jeopardize the delivery of essential health-care services.
- The AG's Office also approved the acquisition of Deaconess-Incarnate Word Health System, a nonprofit public benefit corporation, by forprofit Tenet HealthSystems, after a public hearing in St. Louis. Deaconess operated three hospitals in the St. Louis area.

RECORD MEDIATION

Without entering a courtroom, the consumer division recovered a record **\$2 million** in restitution for consumers through mediation.

COURTROOM ACTION

Consumer attorneys obtained **24** permanent injunctions and **nine** assurances of voluntary compliances prohibiting further violations.

HOTLINE CALLS

Consumer Protection Hotline workers responded to **28,062** complaints and inquiries.



ANTITRUST ACTION

The AG's Office vigorously enforced state and federal antitrust laws to ensure Missouri consumers and businesses enjoy the lower prices, higher quality and greater selection that result from free and open competition. Antitrust actions in 1997 included:

Contact lens maker will pay

A contact lens maker agreed to pay a \$35 rebate and other benefits under a proposed agreement with Missouri and 24 other states. The suit alleged CIBA Vision, Bausch & Lomb, Johnson & Johnson subsidiary Vistakon and several optometrists and optometric associations limited the sale of its contact lenses through discount outlets, driving up consumer prices.

Schnucks must pay \$3 million

In an agreement to broaden competition, Schnuck Markets Inc. agreed to lease two closed store locations in the St. Louis area to

SECURITIES FRAUD

Consumer attorneys successfully prosecuted 12 white-collar criminals for fraud. The prosecutions included:

- A Lamar man was sentenced to 15 years in prison for cheating investors out of \$5.3 million through his bogus research facility, Conquest Labs. Patrick Graham sold stock, notes and stock options to 505 investors, claiming he had developed an AIDS-remission product. He had no such product and most of the money he collected from investors was spent on him and his family, not on scientific development.
- A Warrenton man was arrested on 10 counts of securities fraud and selling unregistered securities. Consumer attorneys and the Warren County prosecutor charged Merwyn Brian Pettyjohn, president of President Travel, with selling stock in a nonexistent corporation.

other operators. Schnucks had closed the stores following its acquisition of all area National stores. Schnucks must pay a total \$3 million in penalties to the Federal Trade Commission and investigative fees to Missouri to resolve charges that the company had violated earlier agreements ensuring competition.

Patients given more choices

An agreement between the AG's Office and a Springfield hospital system was obtained to open competition in the home health market and to give patients access to information that will help them find a home health-care provider that best suits their needs at a competitive price.

The agreement addressed concerns that Cox Health Systems should not recommend a home-care provider owned by the hospital, but should give a list of providers to patients.



WHERE THE MONEY WENT

- \$2 million in restitution to consumers from mediation
- \$797,925 in payments to
 Merchandising Practices Revolving
 Fund, used for attorney fees and
 consumer education
- \$710,204 in payments to Antitrust Revolving Fund, used for attorney fees and antitrust programs
- \$358,830 in restitution to consumers from legal action

IN THE **NEWS**

American Cyanamid to pay a \$7.3 million settlement

By BEV DARR

merican Cyanamid Co. has agre \$7.3 million settlement in a case re-rebates paid to dealers of its agriculty

Missouri Attorney General JaMissouri for legislation Missouri Attorney General Ja Missouri for legislation reported the charge against A protect teen-agers. Cyanamid, one of the world's largest L. agricultural chemicals, was for vic By MATTHEW SCHOERER D.

antitrust laws.

Don Warren, plant manager at
American Cyanamid plant, said h
aware of the charge or settlement u

Cigarette merchants — from in-Kansas City vending machine op-erators — illegally aim their deadly products at teen-agers, and they must be stopped, Missoun Attor-ney General Jay Nixon said Friday, Nixon is one of 39 state attor-neys general who have agreed in principle to a \$360 billion settle-ment from robacco companies to day. "The Hannibal plant is part of th "The Hannibal plant is part of the turing arm of the company, and who must be altudes to is something that was de nearly sales or marketing programs." Warr The complaint and settlement principle were filed in federal court in Jel Thursday on behalf of all 50 states, and the District of Columbia, Nico

Idaho tribe not happy with Nixon

Attorney general wants tribe's Internet gambling kept out of Missouri

The Associated Press

Vixon takes on tobacco

Firm ordered to pay for misleading state's consumers

Decision hailed as largest consumer protection order in state history

an Internet gambling operator.

Las Vegas Telemarketer Ordered To Repay Woman

Friday (May 16) to hve years in prison and ordered to pay restitu-tion to an elderly woman from Bowling Green MO, who was defrauded of more than \$10,000 in

telemarketing scheme.

Daniel A. Doherty Jr. had eaded guilty last November in

We will find you, prosecute yeu, and have you to stay as a guest of the Missouri Department of

Doherty's sentance will run w makes consecutive with a 10-year and the sentance he received for telemark. on said its eting fraud. Circuit Judow Read cinterview

BUSTING TELEMARKETERS

Consumer attorneys aggressively prosecuted telemarketers accused of defrauding Missourians, including:

Missouri teens are getting hooked on eigarettee.
Friday afternoon in Kansas City, Nixon said he was tired of waiting and released details of new state laws he will push to guard Missouri's youths from tobacco.
"As parents, we all teach our kids to be careful around cars, not to walk across the street without looking both ways," he said. "With tobacco, were trying to keep our kids safe, but there's a multibillion-dollar campaign out there urging

A LAS VEGAS

MAN was sentenced to five years in prison on two consumer fraud charges and ordered to pay restitution to a Bowling Green senior citizen defrauded of more than \$10,000.

Daniel Doherty Jr. had called the woman several times and asked her to contribute to an antidrug campaign to receive bonus prizes of equal or greater value than her contribution.

She received prizes of less than \$350 after sending more than \$10,000.



Telemarketers

Daniel Doherty, left, and Martin Boyd were put behind bars courtesy of consumer attorneys.

PHOTO ILLUSTRATION

A NEW YORKER was sentenced to seven years in prison on two fraud charges.

Martin Boyd cheated an elderly Cape Girardeau woman out of thousands of dollars.

The judge based his sentencing decision, in large part, on recorded phone calls made by the victim and the AG's Office.

TWO ST. JOSEPH telemarketers were sentenced to prison for defrauding senior citizens in four other states. Terry Lee Williams was sentenced to five years in prison on three fraud charges.

Robert Carl Gray was sentenced to one year on three charges. Gray had called seniors informing them they had won valuable prizes such as autos or cash.

To claim them, they were told to pay \$800 to \$5,500. They did, but got no prizes.

CHAPTER

OVERVIEW

The Environmental Protection Division

Aggressively works to protect Missouri's natural resources. Attorneys take legal action to stop pollution of the state's air, water and soil. **The division's aggressive** efforts have bolstered compliance with state environmental laws and have resulted in significant penalties to law breakers.

In 1997 the division won or favorably settled more than 95 percent of its cases. This success translated into a record **\$4.1 million** in civil penalties, response costs, damages, restitution payments and bankruptcy recoveries.

OVERSEEING AGRICULTURAL OPERATIONS

Environmental attorneys took action to bring agricultural businesses, including several large operations, into compliance with state laws. Among action:

Nixon pushes odor standards

Nixon asked the Air Conservation Commission to begin regulating the state's largest animal feedlots for odor emissions. If enacted, small and medium-sized family farms would be exempt.

Poultry plant sued

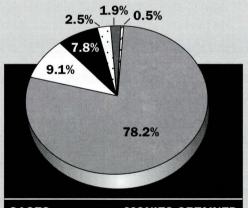
Environmental attorneys sued Simmons Food, a major chicken processor, for widespread water-quality violations at its plant in Southwest City. Simmons discharged wastewater into a tributary that flows into the Grand Lake of the Cherokees in Oklahoma. The AG's Office is seeking a court order prohibiting illegal discharges.

Cattle operator pays \$56,000

The state's largest cattle feeding operation agreed to pay a \$56,000 penalty in a suit filed by environmental attorneys. Sharpe Land and Cattle Co. was ordered to conform to state environmental laws. The 20,000-acre ranch in Lewis County already has built an approved vegetative cover in its feed lots, which historically have been dirt and mud.

Paying for violations

The Environmental Protection Division obtained a record \$4.1 million in reimbursements, restitution, penalties, damages and response costs. More than three-fourth of the money came from cases involving land reclamation issues.



CASES MONIES OBTAINED

Land reclamation \$3,253,091

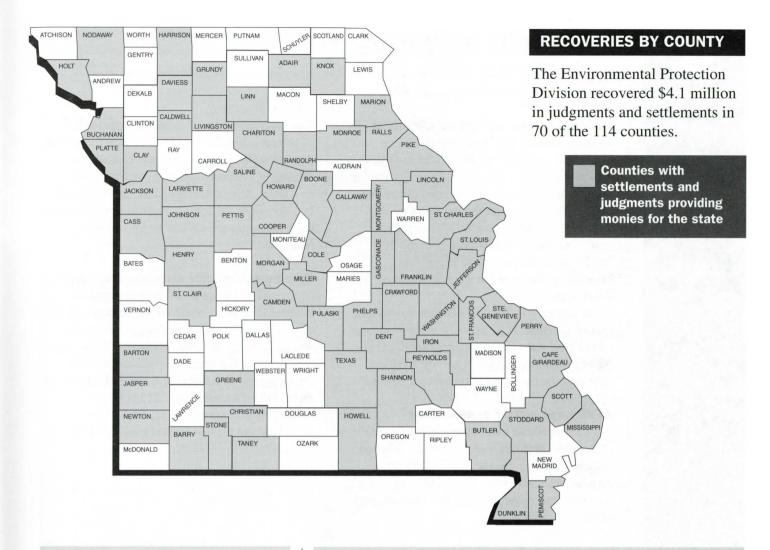
Water 378,402

Water 378,402■ Air 327,042

Solid waste **102,881**

Hazardous waste 79,249
Underground storage tanks 20,000

The division opened 268 cases and resolved 341 cases.



OVERSEEING AG OPERATIONS

Processing plant will control odors

A poultry-manure processing plant near Purdy agreed to install odor controls and pay \$9,600 to the state in a settlement agreement with the AG's Office. First Fertilizer was the first agricultural facility in the state to be required to eliminate odors.

Egg-laying operation nears compliance

Environmental attorneys reached an agreement with a company that bought one of two plants from Vaughan Brothers, the state's largest poultry-laying operation. The bankrupt Vaughan Brothers had been operating without a permit. The new owner agreed to get a permit and comply with regulations. The state is working with the other buyer to comply with state laws.

CLEANING UP UNDERGROUND STORAGE TANKS

Environmental attorneys worked to prevent possible contamination from underground storage tanks. Among cases handled:

Storage tank owner pays \$35,000

The owner of Webster Oil in southwest Missouri was ordered to clean up a dozen underground storage tanks in the Springfield area and pay \$35,000 in civil penalties.

Business barred from operating

Ferrel Pride and his company, Midwest Environmental Technology, were banned from doing business with the state or any of its agencies for the next five years. Pride had improperly spread contamination while cleaning up an underground storage tank site near Columbia.



PROTECTING THE WATER

Environmental attorneys protected state waterways through aggressive enforcement of the state's clean water laws. Among cases handled:

Longest prison sentence obtained

The owner of Ray's Automotive in St. Louis was sentenced to 37 months in federal prison, the longest prison sentence obtained in state history for an environmental crime. Ray Feldman also was ordered to pay more than \$250,000 in fines, penalties and clean-up costs. Feldman hired haulers to dump 30 barrels of hazardous waste along the Mississippi River as the river approached flood stage.

An attorney in the AG's Office served as a special assistant U.S. attorney. Also working on the case were the state Department of Natural Resources, U.S. Attorney's Office, EPA and the St. Louis City Police Department.

ATVs kept out of scenic river

A campground owner acceded to the AG's Office demands that she prohibit all off-road vehicle traffic in the scenic Black River, a popular destination for ATV enthusiasts. Campers had raced through the river, seriously harming aquatic life.

Uncontrolled lead mining opposed

Nixon informed the U.S. Forest Service that the AG's Office opposed uncontrolled lead mining in Missouri's scenic river watersheds. In a letter, Nixon said lead mining should not be allowed in the Eleven Point River unless the environmental effects can be known and addressed.

City penalized for sewage discharge

The AG's Office and the Department of Natural Resources resolved a case in which the city of Crane illegally discharged untreated sewage into Crane Creek. Nearly 800 fish were killed, including a rare rainbow trout strain. Crane agreed to reimburse the state \$20,000 for an investigation and pay a \$15,000 civil penalty. It also agreed to pay \$8,850 for the dead fish and for lost recreational value for anglers.

PROTECTING THE LAND

Environmental attorneys took action to protect the land. Among cases handled:

\$1.6 million settlement reached

The AG's Office negotiated a \$1.6 million settlement with two surety companies that bonded the coal mining operations of Missouri Mining Inc. The company went bankrupt after mining several thousand acres in Putnam County. The companies will pay the bond money if a reclamation work plan is not satisfactorily completed.

Landfill pays \$160,000

Environmental attorneys received \$160,000 from a landfill near Carrollton. The state will use the money to properly bury trash at Midwest Method Land Management Sanitary Landfill. The money came from a state-mandated fund to



Thousands of tires were ordered to be removed from Dick's Used Tires in Raytown.

provide 30 years of care for a landfill if owners stop maintaining it. Midwest had paid the money into the fund.

IN THE NEWS

Missouri's Top Legal Official Says Prospecting Would Lead to Mining

ST. LOUIS (AP) — Allowing a sid company to prospect for lead in southern Missouri national forest budd in effect be allowing it to are if minerals are found, Mis-suri Attorney General Jay Nixon

refore, the U.S. Forest Scr-hould have considered the nmental impact of mining considering a request to

when considering a request to cospect, he says.

Once the prospecting permit is sueed, he die is cast, "he said.

Nixon's comments were among 1,700 letters sent to Randy Moore, suspervisor of the Mark Twain National Forest, during a public comment period that ended Tuesday. Moore said in May hat he was leaning toward allowing Doe Run Co. to drill up to 200 prospecting holes on 7,970 acres of national forest in Shannon and Oregon counties.

ies.

Denying a mining permit once a prospecting permit is issued could force taxpayers to pay compensation to the company, Nixon said, citing a Florida case in which a phosphate company discovered deposits on federal land but was denied as on federal land but was usef the Nixon urges odor controls on large farms

By MICHAEL MANSUR

Missouri Attorney General Jay Nixon called on state regulators Thursday to stop the stench that can come from large hog and poul-

al loophole in Missouri reg-is exempts the farms from an noxious odors. Nixon of the Missouri Air Conser-Commission, meeting

hole.
summer, dozens of rural
scomplain to state officials
sdors from the large hog
said Roger Randolph, the
ir pollution director.

million as compensation.

Nixon's comments are the first state-agency comments saying mining must be considered when assessing the environmental impacts of prospecting.

Jody Eberly, a wildlife biologist for the Forest Service who records the public comments, said most letters she had read by Friday morning—all but 300—opposed prospecting. Must writers discussed the issue of mining more than prospecting, she said.

Nixon's remarks were hailed by environmentalists, who have argued for nearly two decades that prospecting would lead to mining in the fragile watersheds of the Current, Jacks Fork and Eleven Point rivers. The three are popular—and federally protected — floating streams.

Moore was at a training seminar week and unavailable for comment. But district ranger Terry Miller said Moore was certain that successful prospecting did not mean that a mining lease had to be issued.

But Nixon says that's wrong.

"If the Doe Run Co. is able to demonstrate that it has discovered a

But the state officials can only tell them that the operations are exempt from the state's oder limits. "People realize these farms are exempted, yet still they complain," Randolph said. "They're just livid about the odor."

ompanies said, they the stricter environments to qualify for a "We certainly believed that if we automatically would

State brings in record amount from polluters

nioney in penaiues, oamages amo other payments from polluters in 1997, and a frequent target of en-vironmental watchdogs may end up diging into its own wallet after a recent waste spill.

The state collected \$4.1 million from polluters last year, up from \$3.8 million in 1996.

33.8 million in 1996.
"Our actions not only protect
Missourians, but they send a clear
message that Missouri will not
turn a blind eve to politice."

WRIGHT CITY Judge orders penames for landfill owner

A St. Louis man must pay more than \$1.2 million in penalties and make repairs to one of his landfills.

James Zykan Jr., 38, must pay the penalties and make repairs to a leak-ing landfill near Wright City.

Attorney General Jay Nixon sought the judgment against Zykan. then economically decision not to mim

Lead is used in:
television and comedical couloms

SECOLOMO SECO

An internal investigation found hat ice movement had loosened ne seal on the drain, the comany said.

pany said.

"The spill traveled approximately 2,800 feet in Spring Creek," said Nina Thompson, a DNR spokeswoman. "The Gremium Standardb emergency response team built three downstream dams and one upstream dam to contain the spill."

"We're not expecting any prob-lems from this spil," Buchanan said, "Our biologists were pleased with the quick response" by Pre-mium Standard.

tion laws.

Nixon accused the improper construction handling facilities, problems and waste in practices.

The company has den ngoing violations.

A Premium Standard man said in December

Poultry plant faces lawsuit over discharges

PROTECTING THE LAND

Judges order tire removal

- A judge ordered the owner of Dick's Used Tires in Raytown to remove thousands of waste tires stored on his property. Operators of sites that have at least 500 waste tires for more than 30 days must obtain a state permit and comply with regulations.
- The owner of Guaranteed Used Tires near Camdenton is ordered to remove about 7,000 waste tires.

■ The owners of two waste-tire dumps near Wardell and Doniphan are found in contempt of court for not removing tires from the sites as ordered. They are given 40 days to submit a plan to the state to remove the tires.

PROTECTING THE AIR

Environmental attorneys sued businesses for violating state air pollution laws. Among cases handled:

Recycler must pay \$22,000

Environmental attorneys collected a \$22,000 settlement from IMCO Recycling Inc. IMCO's metal fabricating plant in Scott County openly burned industrial waste and emitted dust particles.

CHAPTER 5

GOVERNMENTA AFFAIRS DIVISION

1997 ANNUAL REPORT

OVERVIEW

The Governmental Affairs Division's

Aggressive action saved Missouri taxpayers millions of dollars in 1997. At the same time, division attorneys continued to provide legal representation for statewide office holders, departments and divisions.

Besides representing the state,

attorneys also protect the interests of residents:

- As legal representatives for the state professional licensing boards, they ensure professionals such as doctors, accountants and real estate agents adhere to state laws and disciplinary rules.
- Represent Missourians in legal action before the Public Service Commission.
- Take civil action to enforce compliance with state trust laws.

PROTECTING PUBLIC TRUSTS, FUNDS

Money to be returned to charitable trusts

The AG's Office aggressively fought to protect charitable trusts and foundations from abuse. Among cases handled:

- A Springfield lawyer agreed to repay \$750,000 to a charitable trust of which he was sole trustee. Garry Champion depleted assets from \$700,000 to \$25,000 and did not make payments to beneficiaries such as Shiners Hospitals and the American Heart Association. Governmental affairs attorneys had sued Champion, who named himself sole trustee of the Edith M. Short Trust four days before Short died in 1992.
- Two former directors of the multimillion-dollar Lichtenstein Foundation returned diamond bracelets, paintings and property after governmental affairs attorneys filed a contempt of court motion against them. Following an AG's Office lawsuit in 1996, Ellie Lichtenstein and her twin sister, Arlene Frazier, were removed from the foundation and ordered to repay \$285,000 for self-dealing and misappropriation of funds.

Officials prosecuted

Governmental affairs attorneys took action against public officials and individuals who violated the law:

- Former Christian County treasurer Gary Melton pleaded guilty to stealing charges brought by the AG's Office. Less than four hours after trial began, Melton admitted he embezzled the money. In a plea agreement, Melton is to serve seven years in prison and to repay \$650,000 to the county.
- Former Camden County assistant circuit clerk Debra Kirby was sentenced to seven years in prison after pleading guilty to stealing \$243,154 from the county from 1988 to mid-1996.
- A St. Louis man was ordered to pay a \$1,000 fine for making political contributions exceeding limits to a candidate for St. Louis comptroller. The AG's Office handled the case, believed to be the first criminal prosecution in the state for violating contribution limits.
- A disbarred Lawrence County lawyer was sentenced to 14 years in prison after pleading guilty to stealing more than \$186,000 from several clients. Governmental affairs attorneys filed six counts against Stephen Richard Soutee. Soutee took money from estates, disability payments and personal injury settlements from 1991 to 1996.

IN THE **NEWS**

Nixon will hold hearing today on sale of St. Louis U. Hospital

et

m

nm

the

BY PATRICIA RICE Post-Dispatch Religion Writer

When Attorney General Jay Nixon convenes a public hearing today to discuss the proposed sale of St. Louis University Hospital, he is expected to hear from both advocates and opponents of the

Melton receives sentence in theft of funds

OZARK, Mo. (AP) — Former Christian County Treasurer Gary Melton, who pleaded guilty to tak-ing \$625,000 in public funds, was sentenced Thursday to seven

used in a manner consistent with the university's health care pur-

If he finds that the sale does not meet the criteria of the nonprofit law, he could file an injunction to law, ne could me an injunction to halt the sale temporarily. A spokeswoman for Nixon said Tuesday the review should be completed by the middle of next

a board met Saturday for the ision to sell

Hospital sale hearing

What: Missouri Attorney General Jay Nixon's public hearing on the proposed sale St. Louis University Hospital Tenet Healthcare Corp.

When: 2:30 p.m. today Where: Harris-Stowe Stat College, 3026 Laclede A

Today's hearing begin p.m. at Harris-Stowe lege, 3026 Laclede Ave Here are some cor tions about the hos proposed sale:

Nixon Hosts Ethics Sessions for Officials

Nearly 500 elected and appointed public officials were expected to attend a free two-day ethics conference offer

souri Attorney Gen Nixon.

The "Ethics in Gove The "Ethics in Gove conference was schedu a.m. to 4 p.m. Thursda ary 30, and Friday, Jan in the Harry S. Truma Building in Jefferson Ci The conference was org to inform officials about

laws and answer legal que they may have regarding cal issues on a wide rar subjects.

"The first step in the fig. clean government includes cating public officials on the

were simply not aware of the law, but were found in wish

DOUGLAS COUNTY

Nixon files to revoke official's probation

Attorney General Jay Nixon has filed a motion to revoke the probation of Douglas County Prosecutor Carl Smith after Smith allegedly got conference.

Attorney General Sues Lawyer Over Trust Fund Monday

SPRINOFIELD, Mo. (AP) - MissouriAttorney General Jay Nixon is suing a Springfield lawyer, alleging he misused nearly \$700,000 cf rust fund money earmarked for charity.

Nixon Greene Cc the perma Champior M. Short

Court taking me sonal use

moved as trustee Jan. 9, after which records show the fund held only \$25,000.

Nixon is also asking the court to make Champion repay the money to the six charities meant to receive it.

nity Foundation. Annual income on the rest of the money was supposed to be paid twice yearly to the Missouri Baptist Children's Home, Shriners Hospital for Crippled Children, American Heart Association and the

Cuba, Mo., official pleads guilty

nol nol nk 11 at in a

Nixon sues to freeze assets of Macks Creek

News Tribune
The Missouri Attorney General's office
The Missouri Attorney General's office
the moved to put a financial clamp on
the troubled Camden County town of
Macks Creek in order to recoup approximately \$46,000 it owes the state.

maining city assets.

Nixon's action comes on the heels of a Missouri State Auditor's report last week, which revealed the town is in poor financial condition and owes the state and federal governments more than \$70,000 in mandatory payments.

ary need for the lawsuit,

Macks Creek, long despised by Lake of the Ozarks area motorists on U.S. 54 for its frequent use of speed traps, has had recurring problems with the auditor's office since 1990. This is the first time, however, that legal action has been taken against the city of 270 residents after audit findings were released.

Judge sentences six common-law courts advocates

TROY, Mo. (AP) — A judge followed a jury's recommendation to mete out harsh punishment to common-law courts advocates convicted of filing a bogus lien against a judge so he would drop a speeding case.

Six of the 15 defendants were individually ushered before Circuit Judge Fred Rush Friday at all Lancoln County courthouse Troy. The harshest sentence given to Dennis Logan, who ordered to Berre seven year ordered to Berre picted during trail as the grouleaders. On Friday, Logan Calledon or Friday, Logan Cal

Former-eourt clerk

where he banks
Bank – that he h
\$500,000 in his perso
Melton had said where the windfall spent the money ar
In December, |
leged Melton filed

prison, as well as pay a fine. Ju-rors didn't specify an amount but the maximum possible was \$5.000, which Russh ordered. Prior to sentencing, all of the defendants told Russh they did not receive their 'fair day' in court. Dave Hansen, an assistant pros-ecutor with the Misseaw's Attorney

admits stealing money

CAMDENTON, Mo. - A former

circuit court clerk has pleaded

guilty to stealing more than \$243,000 from Camden County

from 1988 until she was caught

Debra E. Kirby pleaded guilty

in circuit court Monday to 66 fe-

lony counts. She is to be sen-

tenced Jan. 2 and could face a

maximum penalty of seven years

in prison and a \$5,000 fine on each

"Public officials are placed in a

position that demands nothing

less than holding the trust of the people," said state Attorney General Jay Nixon. "Ms. Kirby bet-

rayed that trust by using her posi-

to steal from the taxpayers."

last year.

count.

the defendants guilty of tampering with a judicial official. Throughout the trial, the defendants expounded on the view that the state and federal governments have straved from the ideas of our "lounding lathers." They all represented themselves and fronted the Ribbe

mune from state and federal courts based on their belief that the government has abandoned the U.S. Constitution.

In addition to Logan, also sentenced Friday was: Floyd Huebner of Quincy, Ili, Donald C. Saaffer of Quincy, Ili, Donald R. Schaefer

Wright sheriff charged

The Associated Press

HARTVILLE - Despite six misde meanor charges against him — including accusations of hindering prosecution and witness tampering — Wright County Sheriff G.L. Mitchell says nothing will keep him from the county's too law enforces from the county's top law enforce-

"I'm the sheriff, I'm on duty, and I'll remain sheriff," Misch."

to lesser charge in utilities case ■ Ruth Ann Williams must pay \$1,177 and serve two years' probation. She had

been charged with felony stealing. More than \$152,000 is missing.

BY LANCE WILLIAMS

When state auditors announced When state auditors announced in May that more than \$152,000 was missing from utility collections in the city of Cuba, authorities pegged utilities manager Ruth Ann Williams as the main suspect.

On Thursday, Williams pleaded guilty — but only to a misdemeanor charge of misappropriating \$77 in city utility funds. She will have to pay \$1,177, though, and fulfill two years' probation.

"The city is in a quandary trying "The city is in a quandary trying"

"The city is in a quandary trying to explain where (the money is), and now they can't blame it on Ruth Ann Williams," said Steel-ville attorney Martin Mazzei, who helped represent Williams.

stealing by Attorney General Jay Nixon's office in September. Nix-on's investigators said they could prove she stole \$1,177 of the money she was supposed to deposit in the city's accounts.

But on Thursday, the attorney general's office learned that three of their witnesses, who are utility customers, couldn't remember whether they gave money to Williams or to someone else in her office

The state then offered to drop the three felony charges if Williams would plead guilty to a misde-

meanor charge and pay \$1,177.
Williams was fired in January
after an audit, but she kept her
elected title as city clerk.

The city started impeachment proceedings, and the next step was scheduled for next Monday. Will-

iams resigned Friday.

Despite the reduced charge, state officials said they are

pleased.
"She was given a public trust, and she broke that trust and wa-



DEFENDING THE STATE

Medication justified

The 8th Circuit Court of Appeals affirmed a judgment against a state hospital patient who was hospitalized after stabbing his nephew.

The plaintiff, a paranoid schizophrenic, sued his psychiatrist for administering his medication. The court agreed that the plaintiff's claims that he was not dangerous were not enough to discontinue his medication.

Counseling program closed following sexual harassment claims

Governmental affairs attorneys successfully defended the decertification of a drug abuse program instructor. The Department of Mental Health had closed a drug and alcohol abuse program in Cape Girardeau.

The program instructor's license was revoked following numerous complaints of improper conduct including demands of sexual favors from female participants.

RECOVERING MONEY

Collections unit increases recoveries

The Financial Services Unit pursued recoveries for the AG's Office and other state agencies. The unit also pursued collections in bankruptcy court.

In 1997, the unit recovered a record \$336,096 in collections and judgments.

Since its inception in 1996, the unit has sought collections from areas such as defaults on student loans and economic development loans, delinquent audit and lottery commission fees, state reimbursements for day-care facilities, and penalties owed to the Ethics Commission. Cases included:

Child-care facility owes state \$43,000

The unit obtained a \$43,000 judgment from the operators of Playschool. A state audit revealed the Kansas City child-care facility falsified information to obtain state money for children's meals.

Open and shut cases

The Financial Services Unit opened twice as many new cases in 1997 than in the previous year when the unit was started:

	Cases	Cases
Year	opened	closed
1997	393	156
1996	165	98

PROFESSIONAL ENFORCEMENT CASES

Disciplining professionals

More than 50 professionals' licenses were revoked or suspended by professional licensing boards represented by Governmental affairs attorneys. Included in that number:

- A Lake of the Ozarks dentist's license was revoked after he inappropriately touched nine female patients. His license already had been suspended in Illinois following a conviction for aggravated criminal sexual abuse.
- A **real estate agent's** license was placed on two years' probation after he admitted to a check-kiting scheme in a joint stipulation with the AG's Office and the Missouri Real Estate Commission.

Governmental affairs attorneys serve as general counsel for these professional licensing boards:

- Board of Accountancy
- Board of Architects,

 Professional Engineers and
 Land Surveyors
- Office of Athletics
- Board of Barber Examiners
- Board of Licensed Clinical Social Workers
- Board of Cosmetology
- Dental Board
- Board of Embalmers and Funeral Directors
- Office of Employment Agencies
- **■** Endowed Care Cemeteries
- Board of Geologists
- Board of Registration for the **Healing Arts**
- Healing Arts Advisory Committees
- Health Facilities Review Committee
- Board of **Hearing Instrument** Specialists

- Landscape Architectural Council
- Marital and Family Therapists
- Board of Nursing
- Board of Nursing Home Administrators
- Occupational Therapists and Respiratory Care Practitioners
- Board of **Optometry**
- Board of Pharmacy
- Board of Podiatry
- Committee of Professional Counselors
- Division of Professional Registration
- Board of Psychology
- Board of Real Estate
 Appraisers
- Real Estate Commission
- Speech Interpreters
 Committee
- Veterinary Medical Board

Dentist barred

A Springfield dentist was prohibited from practicing dentistry after Governmental affairs attorneys obtained a permanent injunction against him. The court ruled that Carl Braun posed a risk to patients. Evidence showed that while he was in an impaired state, he passed out after breaking a needle off in the nasal cavity of a patient while trying to anesthetize her.

Doctor's license revoked

A Kansas physician's license was revoked after she entered a no contest plea to murder and aggravated arson. The physician set fire to her home killing two of her children and injuring a third child. She also attempted to murder her exhusband by poisoning him.

Nurses' licenses revoked

- A Shrewsbury nurse's license was revoked after she pleaded guilty to 11 counts of sodomy and statutory sodomy. The nurse engaged in sexual activities with 12- and 13-year-old friends of her son.
- A nurse's license was revoked after Governmental affairs attorneys proved she abused patients at Meadowbrook Manor, a nursing home in Joplin. The nurse threw juice on a resident, choked residents with a towel and nightgown, and used abusive language.

Funeral home, director's licenses face discipline

Governmental affairs attorneys prevailed in a case in which a state commission found cause exists to discipline the licenses of a St. Louis funeral home and director. The director received excess payments from a deceased's life insurance policy and refused to refund the money.

OVERVIEW



Serves as general counsel for the state Department of Labor and Industrial Relations.

Division attorneys protect state funds and workers' rights by:

- Enforcing state prevailing wages that ensure workers receive prevailing wages.
- Representing workers before the Missouri Human Rights Commission when they have discrimination claims.
- Defending the state Second Injury Fund to ensure funds are not wasted and are used to help workers with legitimate injuries. This fund pays supplementary benefits to injured workers.

PREVAILING WAGES

Businesses sued for wage violations

Labor attorneys sued eight Missouri companies for violating the state prevailing wage law for not fully compensating employees during construction of public works projects. The state is seeking \$54,000 in penalties, which will go to local governmental bodies that contracted for the work.

The contractors and subcontractors sued were Lee Mechanical Contractors of Farmington; Walton Construction Management Co. of Kansas City; Quick Electric of Lee's Summit; R.G. Ross Construction Co. of Clayton; Panagos Electrical Co. of Imperial; and Coil Construction, Crawford Construction and Mid-Missouri Electric, all of Columbia.

The suits were filed following a state Supreme Court decision in which the AG's Office successfully argued that the Department of Labor had standing to bring suit for penalties after a project had been completed. The decision reversed an appellate court that ruled the department could only sue while a project was in progress.

SEXUAL HARASSMENT

Labor attorneys handled sexual harassment cases in the workplace.

Shelbina nursing home must pay \$42,500

Labor attorneys reached a settlement with Salt River Nursing Home in Shelbina, which agreed to pay \$42,500 to a former secretary who alleged the administrator sexually harassed and constructively discharged her. The administrator allegedly would request sexual favors and expose himself. She quit and filed a complaint with the Human Rights Commission.

IN THE NEWS

Attorney General Nixon proudly stands up for Missouri's workers

Must represent those who can't afford lawyers

LAKE OZARK, Mo. - Missouri Attorney General Jay Nixon firmly planted his feet on the side of working people in this state, declaring that corporate America has plenty of lobbyists arguing their position and that the attorney general must be the representative of the hard working Missourians who cannot afford to pay lawyers to do their bidding.
Nixon was speaking before shop
stewards from United Food & Com-

mercial Workers Local 655, AFL-CIO, meeting in a two-day training

Nixon sues 8 businesses for prevailing wage violations

JEFFERSON CITY. MO .- Missouri Attorney General Jay Nixon filed suit Tuesday against eight Missouri companies for violating Missouri's prevailing wage law during the construction of five public works projects. Nixon is seeking thousands of dollars in penalties to be

directed to local governmental bodies who contracted for

the work.
"Missouri law requires that prevailing wages be paid on all public works projects," Nixon said. "The local government obeyed the law, but the contractors have shortchanged the workers. It is my

job as attorney general to enforce prevailing wage laws and I will not look the other way when local governments have done their part to uphold the law and workers still are not getting the benefits owed to them.

Nixon filed suit against: See PREVAILING page 11

DISCRIMINATION

Labor attorneys handled more than 20 discrimination cases before the Human Rights Commission, obtaining a total \$68,650 in settlements.

Landlord liable for discrimination

A landlord in University City was found liable for racial steering and discrimination and ordered to pay two prospective renters \$8,000. The landlord, who had about 100 tenants, allegedly had engaged in steering prospective renters to certain properties based on their race.

Apartment manager must pay \$9,000

The former owner of an apartment complex in Maplewood and a manager of a property management company were found to have discriminated against an African-American tenant.

The tenant was awarded \$9,000 in damages and employees of the company were ordered to attend racial sensitivity training for three

The manager threatened African-American tenants with eviction and called them racially derogatory names. The AG's Office presented the tenant's case to the state Human Rights Commission, which made the ruling.

Boss pays for remarks

In a case litigated by Labor attorneys, the state Human Rights Commission recommended awarding more than \$28,000 in damages to a male employee fired because he stayed home with a sick child. Evidence that the boss said the employee's wife should stay home because that was woman's work led to a finding of unlawful gender discrimination.

DEFENDING THE SECOND INJURY FUND

Labor attorneys saved state taxpayers from paying for unsubstantiated and false injury claims made against the Second Injury Fund. Benefits were not awarded in 57 percent of all cases tried.

- Number of claims filed against Second Injury Fund: 9,683
- Number of claims resolved by Labor Division: 10,263

CHAPTER

LITIGATION DIVISION

1997 ANNUAL REPORT

OVERVIEW



Provides legal defense to state agencies and employees and handles some of the most complex issues facing the state.

Division attorneys:

- Litigate cases that affect millions.
- Defend constitutional challenges to state laws and ballot issues.
- Handle legal action from court-ordered desegregation in Kansas City and St. Louis.
- Sue to recover money fraudulently taken from the state.
- Defend the state in employment and tort cases.
- Defend lawsuits filed by state prisoners.

INMATE ISSUES

Inmate reimbursements at record high

Litigation attorneys recovered a record \$295,009 from prisoners to pay for their incarceration costs.

The 1988 Incarceration Reimbursement Act allows the state to recover up to 90 percent of an inmate's assets after obligations to a spouse or children are met. Reimbursements included:

- **Darryl Gilyard**, serving a life sentence for killing a friend in 1996, paid \$30,076. His payments came from a 1996 settlement.
- Michael Rice, serving eight years for sexual assault and sodomy, paid \$25,200. He had an outside bank account.
- Charles Garrison, serving 15 years for forcible rape, paid \$36,846. He was the beneficiary of two life insurance policies.

Inmate not entitled to typewriter

Litigation attorneys won a lawsuit filed by an inmate claiming he was entitled under the First Amendment to a word processor disk-drive typewriter to write novels and poems.

Frequent inmate litigator loses

Litigation attorneys successfully defended three corrections officers against a fictional allegation lodged by an inmate convicted of first-degree murder. The inmate, known to lie under oath, accused one officer of conspiring with an inmate to kill him and accused the other two officers of covering up the alleged plot.

Inmates pay for stay The Litigation Division recovered a record \$295,009 from inmates to pay for their prison stay. The 1997 amount exceeds recoveries from the previous four years combined. \$295,009

\$142,244

Missouri withholds \$319,000 payment from Texas

\$92,290

\$13,000 \$23,000

1994

Litigation attorneys advised Missouri's prisons director to withhold a \$319,000 payment to Brazoria County, Texas.

The county was accused of perpetuating a cover-up by not providing the Missouri prison system with information about a 1996 incident in which Brazoria County deputies were videotaped abusing Missouri inmates housed at the jail. The state canceled its contract with the county and moved all inmates housed in Texas back to Missouri.

IN THE **NEWS**

Missouri Wants Its Money Rack

People Went To Prison For Bilking A Workers' Compensation Fund; Now State Is Seeking Damages

By Kim Bell Post-Dispatch Jefferson City Bureau

LAWYER'S estate and a former lawyer who defended Missouri's Second Injury Fund go on trial here Monday in U.S. District Court as the state tries to recoup more than \$1 million taken fraudulently from the fund.

lently from the tund.
Attorney General Jay Nixon is suing for triple damages in the civil racketeering casa against William E. Roussin and St. Louis attorney Morris B. Kessler, who died last year. Nixon is trying to take money from

Roth men have pleaded guilty to crimina charges of gou

state-financed gram. The fun benefits to per aggravated by

he suit ney General Jay Nixon. Nixon wants inmates who have the money

investigi other Missourian must when starting court in 1992 action. The state now picks up the cost of 1993 th inmate suits

The end is in sight

State's financial obligation in Kansas City desegregation case stops in 1999

KANSAS CITY (AP) — Nearly all sides concur: An agreement approved by a federal judge that ends the nation's costliest desegregation effort is good for school children. But the bitterness that's been a hall-

Missouri to get \$370,084 from settlement

Monday that Missouri will receive the result of a \$35.5 million multistate settlement with SmithKline Beecham Clinical Laboratories, the largest clinical laboratory in the country.

The agreement, which covers a period ranging from 1989 through ny defrauded state and federal Med. ter any obligations to spouse or children are met. icaid and Medicare programs by combining exotic laboratory tests with certain commonly ordered blood tests, causing doctors to order

(district) must move quickly and correctly to get its financial affairs in order. The Court believes that the district) administration is not up to this task."

Under the agreement, the state will ay a total of \$320 million to the district, with payments ending in June 999. But Clark did not rule that the listrict was fully integrated and said hat required more effort from school officials.

He also suggested — but did not order — that the state stay involved in the case by having the Department of Elementary and Secondary Education oversee the district's budget

Attorney General Jay Nixon, who has led efforts to end the state's involvement, was pleased with the order, which he said ensures "adequate funding for an outstanding education for the kids in the Kansas City School District."

But vestiges of discrimination linger in the district, Clark said. He cited continuing imbalance between achievement test scores of minority and white students, racial makeup of the schools, facilities, transportation and the assignment of students and faculty. The lone bright spot, he said, was the district's integration in spending on extracurricular activities.

Arthur A. Benson II, lawyer for the

Attorney General Jay Nixon said Nixon recoups money Monday that Missouri will receive \$370,084 in restitution and penalties for the state Medicaid program as of their incarceration

JEFFERSON CITY-Attorney General Jay Nixon has recovered almost \$75,000 in recent weeks from inmates with assets to reimburse the state for the cost of their care.

Nixon filed suit against the seven inmates under the authority of the Missouri Incarceration Reimbursement Act, passed in 1996, resolves claims that the compa 1988. The law entitles the state to recover costs from inmates af-

"If inmates have assets, the taxpayers of Missouri should not have to shoulder the cost of their care," Nixon said. "We will continue in our efforts to track down these assets.

Litigation **Division** in

1997 provided legal defense in 1,239 state and federal cases involving some of Missouri's most complex legal issues. Litigation attorneys closed 593 cases. The division was assigned 488 cases.

A new effort to further reduce lawsuits filed by Missouri inmates is backed by Attor-

stems fre to pay the cost of filing lawsuits, just as any

helped c Nixon supports the measure because his

office has had to defend taxpayers when inmates sued:

- To have the state lift a freeze on a 19cent bank account that had never been frozen in the first place:
- · After taking extra sugar packets and being slapped on the wrist by a cook;
- Alleging the prison system pays too much for cable television and to rent video

movies:

- · Over a "phantom wire" installed in a tooth by a prison dentist; and
- · Alleging "live leeches" inhabit prison drinking water.
- With the help of former Rep. Greg Canuteson, Nixon successfully argued in 1995 that prisoners who file frivolous lawsuits should lose their time off for good behavior.

DEFENDING THE STATE

\$1.6 million returned to Second Injury Fund

The AG's Office reached settlements with eight remaining defendants charged with racketeering and defrauding the state's Second Injury Fund, bringing to \$1.6 million the amount returned to the fund.

The eight were among 11 St. Louis-area lawyers, medical professionals and administrative law judges the AG's Office sued in 1993 for conspiring to defraud the fund by inflating settlements and using some of the money to benefit the previous attorney general's political campaign.

HANDLING DESEGREGATION

Monumental win in Kansas City

The AG's Office sought and won approval of a settlement agreement ending state desegregation payments to Kansas City schools.

Federal District Judge Russell Clark approved the agreement following a threeweek trial where the AG's Office argued that a 10-year, \$1.3 billion expenditure by the state had fulfilled the state's obligations.

Open magnet school to all students

The AG's Office joined with the St. Louis City School Board's 2-year-old motion to open magnet schools to more city students.

During the 1997-98 school year, 6,694 students were on a waiting list, of whom 85 percent were African-Americans from the city.

In joining the schools, Nixon called for a more flexible courtordered magnet school quota.



AG's Office targets abuse, fraud

The Medicaid Fraud Control Unit continued to aggressively prosecute Medicaid cheaters as well as those who abused nursing home residents. At year's end, the unit was working on 163 cases.

In 1997, individuals and companies agreed to pay nearly \$1.9 million in penalties and restitution to Medicaid. Since the unit's inception in 1994, the state has obtained more than \$12.3 million in actual and promised scheduled recoveries.

Nation's largest clinical labs to pay thousands of dollars

- The state Medicaid program received \$370,084 as the result of a \$35.5 million multistate settlement with SmithKline Beecham Clinical Laboratories. The lab was accused of defrauding Medicaid and Medicare programs by combining exotic lab tests with commonly ordered blood tests, causing doctors to order unnecessary tests. Missouri's participation also generated \$555,000 for the federal Medicaid program.
- LabCorp and its three predecessor companies agreed to pay \$198,000 to the state. The AG's Office joined 43 other states and federal authorities in a national probe. The companies allegedly overbilled federal government health insurance programs.

Body jacket distributor guilty of fraud

The distributor of a phony body brace, illegally billed to Medicaid and Medicare recipients living in nursing homes, pleaded guilty to a scheme that cost taxpayers more than \$1.5 million.

The co-owner of Health Care Providers Inc. and Innovative Medical Products Inc. pleaded guilty to fraud for misrepresenting that a foamcushion seat was Medicaid approved for back problems.

The seats were sold for more than \$1,100 and only cost about \$50 to make. The distributor will serve at least 36 months in prison and pay at least \$284,576 in restitution.

Unit prosecutes patient abuse, Medicaid fraud

Of the 81 cases opened by the unit, 58 were for fraud and 23 were for patient abuse. Among the cases handled:

Boone Retirement Center and administrator Patrick Rackers: A Boone County grand jury indicted them on eight counts of neglecting residents and 28 counts of Medicaid fraud. They allegedly allowed eight residents to develop bedsores in 1995.

Creve Coeur dentist and wife: Indicted on five federal felony counts for billing Medicaid and private insurance companies for dental work not performed. The wife handled the billing for her dentist-husband.

Sikeston woman: Pleaded guilty to falsifying time sheets for in-home services. The Sikeston woman overbilled for the time she spent with Medicaid patients.

Savannah social worker: Sentenced to 120 days' shock time in prison for Medicaid fraud. She pleaded guilty to two counts of making a false statement to receive a health-care payment. Her two five-year prison sentences were suspended. The judge ordered her to remain in prison because she did not repay Medicaid for any of the \$150,000 or provide a repayment plan as required by her sentence.

Pulaski County psychotherapist: Ordered to pay \$51,727 to the state, serve 30 days in jail and perform 720 hours of community service for billing for psychotherapy services not rendered.



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